

Entity AEOI self-certification guidance notes



Beginning with the Foreign Account Tax Compliance Act (FATCA) in 2014 and additionally the Common Reporting Standard (CRS) in 2016, new international agreements involving a large number of countries have come into force to help tax authorities find and stop tax evasion, especially relating to assets held in countries where the owner is not resident for tax purposes.

These international agreements create a legal obligation requiring all financial institutions, including Barclays, to:

- Obtain extra information from customers;
- Identify a possible connection, for tax purposes, with another country/other country;
- Establish the tax residence of all entities; and
- Report the financial account information for identified customers to the relevant tax authorities through the automatic exchange of information.

Instructions
Part I – Entity organisation details
 Please complete each box and ensure you include your entity’s legal status (e.g. Ltd, Plc, LLP).
Part II – Tax residency
 Complete a separate row for every country that this entity tax resident.
Part III – Entity certification
 All entities are required to complete this section.
Part IV – Controlling Persons
 Complete if you are 'Financial Institution that is an Investment entity located in a non-participating jurisdiction and managed by another FI or Passive NFE'.
Part V - Declaration & Signature
 Complete ensuring the signature has been completed by an authorised signatory of the account.

Part I – Entity/Organisation Details

Note	All sections are mandatory. Please include entity status e.g. Ltd or LLP. PO Box addresses are not acceptable.
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Part II – Tax Residency

Country of tax residence	Please provide for each of these jurisdictions a Tax Identification Number (TIN) of your entity where applicable.
TIN or functional equivalent	<p>It is mandatory to supply a TIN or functional equivalent if the country in which you are tax resident issues such identifiers.</p> <p>The TIN is combination of letter's and/ or numbers assigned to the entity or organisation by its country of residence (or its tax authorities) to identify the entity for tax purposes. An example of a TIN from a country tax resident in the UK is an entity's Unique Taxpayers Reference Number (xxxxx xxxxx).</p> <p>If unable to obtain a TIN then please provide an explanation, such as: "the company has yet to receive its TIN from the relevant tax authority"</p>

Part III – Entity Certification

Instruction	Please select one classification, a) to h).
Specified Person	<p>Specified Person</p> <p>The term 'Specified Person' is defined by reference to local laws in the country where the entity is established. In the UK a 'Specified United Kingdom Person' means a person or entity who is resident in the UK for tax purposes, other than:</p> <ul style="list-style-type: none"> (i) A corporation the stock of which is regularly traded on one or more established securities markets; (ii) Any corporation that is a Related Entity of a corporation described in clause (i); (iii) A Depository Institution; (iv) A broker or dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United Kingdom; (v) a Government Entity; (vi) An International Organisation (examples of which include The International Monetary Fund, The World Bank, The International Bank for Reconstruction and Development and The European Community – For a full list please see the relevant guidance under the Tax Regulations); (vii) A Central Bank; or (viii) A pension scheme or other arrangement registered with HMRC under Part 4 of the Finance Act 2004
Active Non-Financial Entity ("NFE") classification	<p>An NFE is an Active NFE if it meets any of the criteria listed below. In summary, those criteria refer to:</p> <ul style="list-style-type: none"> • Active NFEs by reason of income and assets; • Publicly traded NFEs; • Governmental Entities, International Organisations, Central Banks, or wholly owned Entities; • Holding NFEs that are members of a nonfinancial group • Start-Up NFEs; • NFEs that are liquidating or emerging from bankruptcy; • Treasury centres that are members of a nonfinancial group; or • Non-profit NFEs <p>An entity will be classified as Active NFE if it meets any of the following criteria:</p> <p>a) less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income 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;</p>
	<p>b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;</p> <p>c) the NFE is a Governmental Entity, an International Organisation, Central Bank or an Entity wholly owned by one or more of the foregoing;</p> <p>d) 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;</p> <p>e) the NFE is not yet operating a business and has no prior operating history, (a "start-up NFE") 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;</p> <p>f) 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 recommence operations in a business other than that of a Financial Institution. the NFE primarily engages in financing and hedging transactions with, or for, continue or recommence operations in a business other than that of a Financial Institution;</p>

	<p>g) 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 or;</p> <p>h) the NFE meets all of the following requirements (a “non-profit NFE”) :</p> <p>i) 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 exclusively for the promotion of social welfare;</p> <p>ii) it is exempt from income tax in its jurisdiction of residence;</p> <p>iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</p> <p>iv) 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 payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and</p> <p>v) 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 organisation, or escheat to the government of the NFE’s jurisdiction of residence or any political subdivision.</p>
Passive NFE	Under the CRS a “Passive NFE” means any: (i) NFE that is not an Active NFE; and (ii) Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution.
Financial Institution (FI)	The term “Financial Institution” means a Custodial Institution, a Depository Institution, an Investment Entity or a Specified Insurance Company.
If your organisation is a FI, please complete	<p><i>(If applicable only</i> Under FATCA, if your organisation is a Financial Institution (FI), the assumption will be that an FI will register with the IRS and obtain a GIIN unless it is able to certify that it is exempted from the Foreign Financial Institution (FFI) category. A GIIN is the identification number used to identify the FFI for FATCA registration purposes and U.S. information reporting purposes.</p> <p>Barclays Bank PLC is required to verify that the entity name and the GIIN match the IRS database once it is received.</p> <p>If your status requires you to have a GIIN you must provide one. Failure to provide this in a timely manner may result in you being classified as a reportable entity and, where there is US income, in some circumstances there may be withholding applied to any payments.</p> <p>“Investment Entity located in a Non-Participating Jurisdiction and managed by another Financial Institution” This term means any Entity the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets if the Entity is (i) managed by a Financial Institution and (ii) not a Participating Jurisdiction Financial Institution.</p> <p>“Investment Entity managed by another Financial Institution” An Entity is “managed by” another Entity if the managing Entity performs, either directly or through another service provider on behalf of the managed Entity, any of the activities or operations described in clause (i) above in the definition of ‘Investment Entity’. An Entity only manages another Entity if it has discretionary authority to manage the other Entity’s assets (either in whole or 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 Depository Institution, a Custodial Institution, a Specified Insurance Company, or the first type of Investment Entity, if any of the managing Entities is such another Entity.</p>

Part IV – Controlling persons

Controlling Persons	Controlling Persons
(please continue on a separate sheet if necessary, signing, dating and attaching the sheet to this form).	<p>Controlling person - An Entity is controlled by the persons or entities who hold at least 10% of the voting shares in the Entity or who are known to exercise significant influence over the policy, business and strategy of the Entity. (Please see below for definition of 'Control')</p> <p>"Controlling Persons" are the natural person(s) who exercise control over an entity. Where that entity is treated as a Passive Non-Financial Entity ("Passive NFE") then a Financial Institution is required to determine whether or not these Controlling Persons are Reportable Persons. This definition corresponds to the term "beneficial owner" described in Recommendation 10 and the Interpretative Note on Recommendation 10 of the Financial Action Task Force Recommendations (as adopted in February 2012).</p> <p>In the case of a trust, the Controlling Person(s) are the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, or any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership). Under the CRS the settlor(s), the trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, are always treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust.</p> <p>Where the settlor(s) of a trust is an Entity then the CRS requires Financial Institutions to also identify the Controlling Persons of the settlor(s) and when required report them as Controlling Persons of the trust.</p> <p>In the case of a legal arrangement other than a trust, "Controlling Person(s) means persons in equivalent or similar positions.</p>
"Control"	<p>"Control" over an Entity is generally exercised by the natural person(s) who ultimately has a controlling ownership interest (typically on the basis of a certain percentage (e.g. 25%)) in the Entity. Where no natural person(s) exercises control through ownership interests, the Controlling Person(s) of the Entity will be the natural person(s) who exercises control of the Entity through other means. Where no natural person(s) is/are identified as exercising control of the Entity through ownership interests, then under the CRS the Reportable Person is deemed to be the natural person who hold the position of senior managing official (e.g. director).</p>

FAQ's

1.) What is the Common Reporting Standard?

The Common Reporting Standard is an international agreement involving a large number of countries which has come into force in 2016. This is to assist tax authorities in finding and stopping tax evasion especially relating to assets held in countries where the owner is not resident for tax purposes.

2. What is The Foreign Account Tax Compliance Act?

The Foreign Account Tax Compliance Act is a piece of legislation that was designed to improve Tax Compliance by US persons, both individuals and Entities, as they require to report their worldwide income to the US Internal Revenue Service on an annual basis, regardless of whether or not they currently reside in the US.

3. What do Barclays Bank require to do?

Under these agreements all Financial Institutions, including Barclays, have a legal obligation to report customers' financial account information to the relevant tax authorities based on tax residency and/or US citizenship. We require to use the information we have collected from customers to determine whether or not they should be included in any relevant information returns to HMRC or other Tax Authorities. If we request information from customers that would enable us to exclude them from the reporting requirements and are unable to obtain it, the legislation requires that their financial account details be automatically included in the returns to the relevant tax authorities.

4. Why do I require to complete a Self-Certification Form?

If Barclays do not hold all of the relevant tax information for our clients for all tax residencies in which they reside, Barclays will request a Self-Certification to be completed in order to comply with the regulations. If an entity has any change in circumstance i.e a change of address, telephone number, we will request a Self-Certification Form be completed in order to maintain the correct information for our clients.

Barclays may also request a Self-Certification Form from clients if we hold missing or incomplete information for you.

5. If I have closed my accounts, do you still require a Self-Certification Form?

If your account has been closed during the Reportable calendar year then your accounts are still reportable to the relevant tax authorities. If an account is closed mid-way through a year i.e 2020, this will be reportable to the relevant tax authorities in 2021.

6. What is a Taxpayer Identification Number?

A Taxpayer Identification Number is a unique number issued by tax authorities to Entities or Individuals.

7. What do I need to send back?

If you have received a request to complete a Tax Residency Self-Certification form, simply complete, date and return the form via DocuSign. In the majority of cases the completed Tax Residency Self-Certification form is all that you need to send back.

Definitions

“Custodial Institution”

The term “Custodial Institution” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. This is where the Entity’s gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20% of the Entity’s gross income during the shorter of: (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.

“Depository Institution”

The term “Depository Institution” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

“FATCA”

FATCA stands for the U.S. provisions commonly known as the Foreign Account Tax Compliance Act, which were enacted into U.S. law as part of the Hiring Incentives to Restore Employment (HIRE) Act on March 18, 2010. FATCA creates a new information reporting and withholding regime for payments made to certain non-U.S. financial institutions and other non-U.S. entities.

“Financial Institution”

The term “Financial Institution” means a “Custodial Institution”, a “Depository Institution”, an “Investment Entity”, or a “Specified Insurance Company”. Please see the relevant domestic guidance and the CRS for further classification definitions that apply to Financial Institutions.

“Participating Jurisdiction”

A “Participating Jurisdiction” means a jurisdiction with which an agreement is in place pursuant to which it will provide the information set out in the CRS and that is identified in a published list.

“Reportable Jurisdiction”

A Reportable Jurisdiction is a jurisdiction with which an obligation to provide financial account information is in place and that is identified in a published list.

“Resident for tax purposes”

Each jurisdiction has its own rules for defining tax residence, and jurisdictions have provided information on how to determine whether an entity is tax resident in the jurisdiction on the OECD website. Generally, an Entity will be resident for tax purposes in a jurisdiction if, under the laws of that jurisdiction (including tax conventions), it pays or should be paying tax therein by reason of his domicile, residence, place of management or incorporation, or any other criterion of a similar nature, and not only from sources in that jurisdiction. Dual resident Entities 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. An Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.

“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.

“TIN” (including “functional equivalent”)

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 jurisdiction.

Some jurisdictions do not issue a TIN. However, these jurisdictions often utilise some other high integrity number with an equivalent level of identification (a “functional equivalent”). Examples of that type of number include, for Entities, a Business/company registration code/number.