

Frequently Asked Questions (FAQ)

CRS

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General

What is the Standard for Automatic Exchange of Financial Information in Tax Matters (“AEOI”)?

The *Standard for Automatic Exchange of Financial Information in Tax Matters* (“AEOI”) is a standardised automatic exchange model, which builds on the [FATCA IGA](#) to maximise efficiency and minimise costs. This model is supported by the [G20](#) and the [OECD](#) in close co-operation with the EU and other stakeholders.

Sixty-one jurisdictions have signed a multilateral agreement, which provides for the automatic exchange of information. The [Competent Authority Agreement](#) implements the Standard for automatic exchange, specifying the details of what information will be exchanged and when. While the agreement is multilateral, the actual exchanges are bilateral.

What is CRS?

CRS, the acronym for the “**C**ommon **R**eporting **S**tandard”, is part of the *Standard for Automatic Exchange of Financial Information in Tax Matters* (“AEOI”). It contains the due diligence rules that financial institutions need to follow to collect and then report the information.

What is the purpose of the AEOI?

For many years automatic exchange of information has been widely practised by many countries as a very effective tool to counter tax evasion and to increase voluntary tax compliance.

Through the adoption of a common approach to automatic exchange of information, offshore tax evasion can be tackled more effectively.

The standard brought by the AEOI sets the rules on the collection and reporting of information by financial institutions.

When does CRS begin?

CRS is applicable as of **1 January 2016**.

Who is impacted by CRS?

CRS is far-reaching and can impact any person, whether [Private Individual](#) or [Legal Entity](#), resident in any [Participating CRS Jurisdiction](#). CRS imposes obligations on [Financial Institutions](#) to

- identify [Account Holder](#),
- report accounts held directly or indirectly by foreign Tax Residents to the local tax authorities.

Subsequently, the local tax authorities will automatically exchange this information with the relevant [Participating CRS Jurisdiction](#).

What information does ING Belgium report to the tax authorities to comply with CRS?

CRS requires reporting by [Financial Institutions](#) to the local tax authorities on

- the identity of each reportable [Account Holder](#) on their [Reportable Accounts](#)
- the balance on these accounts as at 31st December of each year
- income (interest, dividends, gross proceeds, and other income) on these accounts.

The first reporting in 2017 will cover the year 2016. The local tax authorities will forward this information to the tax authorities of the relevant [Participating CRS Jurisdiction](#).

[Undocumented individuals](#) will be reported to the local tax authorities but will not be passed on to any other [Participating CRS Jurisdiction](#) as these accounts will not have a residence jurisdiction identified.

When does CRS reporting begin?

The first reporting will occur in 2017 and will cover the year 2016. ING Belgium, as all Belgian banks, will report to the Federal Public Service [FPS Finances](#). They will forward the information to the relevant [Participating CRS Jurisdictions](#) by 30 September of the reporting year at the latest.

Am I allowed to determine which data is going to be reported to the tax authorities?

No. What needs to be reported is determined by law.

Is the withholding tax system similar to the one applicable under FATCA?

No.

FATCA introduced a 30% penalty withholding tax system on withholdable payments made to foreign financial institutions that do not comply with the disclosure obligations imposed by FATCA (“Non-participating financial institutions”).

There is no such withholding tax system under the [AEOI](#).

What are the consequences for ING Belgium of having clients with foreign Indicia?

If a customer shows an [Indicium](#), such as a foreign residence address or one or more foreign telephone numbers and no Belgian telephone number, ING Belgium must treat the customer as a resident for tax purposes of each [Participating CRS Jurisdiction](#) other than Belgium for which an indicium is identified, unless ING Belgium has obtained documentation that confirms that the customer is not a [Tax Resident](#) of such [Participating CRS Jurisdiction](#).

The [AEOI](#) legislation requires that customers who have [Tax Resident](#) status in a foreign [Participating CRS Jurisdiction](#) as well as [Undocumented](#) customers be reported to the Belgian tax authorities (“[FPS](#)

[Finances](#)") who will forward the information to the tax authorities of the relevant [Participating CRS Jurisdiction](#) of which the customer is a [Tax Resident](#).

Does CRS only apply to new clients?

No. CRS is applicable to **all** clients. Both new and [Pre-existing](#) clients will receive a CRS status according to their customer details.

Pre-existing clients will not be affected by the new AEOI legislation?

No. The [AEOI](#) legislation is applicable to **all** clients. Both new and [Pre-existing](#) clients will receive a CRS status according to their customer details. However, only customers who are [Tax Residents](#) in one or more foreign [Participating CRS Jurisdictions](#) and [Undocumented Individuals](#) holding a [Financial Account](#) will have to be reported to the Belgian tax authorities ("[FPS Finances](#)") who will forward the information to the tax authorities of the relevant [Participating CRS Jurisdiction](#).

What will happen if I refuse to provide the documentation requested by ING?

ING needs to report its clients who have [Tax Resident](#) status in one or more foreign [Participating CRS Jurisdictions](#) on the basis of the information and documentation in its possession. We therefore ask our clients to properly document themselves for CRS purposes in order to apply the correct CRS status upon reporting. This is also an opportunity for our clients to update their personal data.

If a client does not provide us with the required documentation, or wishes to remain [Undocumented](#) for CRS purposes, ING will nevertheless be obliged to report his customer data, his account balances and financial income to the Belgian Tax Authorities ("[FPS Finances](#)") who will forward the information to the tax authorities of the relevant [Participating CRS Jurisdiction](#) identified in the client data.

Private Individuals

When am I considered a foreign Tax Resident?

As a natural person, you are considered having [Tax Resident](#) status in the country where you reside. For ING Belgium, it means that, if you reside outside Belgium, you may be considered as a foreign [Tax Resident](#). You may be a [Tax Resident](#) of several countries simultaneously.

If your customer details show [Indicia](#) related to one or several countries, we consider the possibility that you might be a foreign [Tax Resident](#), in which case ING will ask you to confirm your tax residencies.

For the United States (FATCA regulation), you are considered a U.S. Resident for tax purposes if you are a citizen or resident of the United States (holders of a Permanent Resident Card or 'Green Card'), or if you meet the [Substantial Test of Presence](#) for the calendar year.

What are the Indicia applicable under the Standard for Automatic Exchange of Financial Information in Tax Matters ("AEOI")?

Indicia are indicators that a person, private individual or legal entity, could be considered as a [Tax Resident](#) in another country.

For private individuals, they usually are:

- Residence address in a [Participating CRS Jurisdiction](#) other than the country of residence of the reporting [Financial Institution](#),
- Current (mailing, residence, post office box or c/o) address in a [Participating CRS Jurisdiction](#),
- Sole address is a care of address or hold mail in a [Participating CRS Jurisdiction](#),
- One or more telephone numbers in a [Participating CRS Jurisdiction](#) and no telephone number in the country of residence of the reporting [Financial Institution](#) (e.g. a customer who has a French telephone number in ING Belgium, but no Belgian telephone number),
- A currently effective power of attorney or signatory authority granted to a person with a (mailing, residence, post office box or c/o) address in a [Participating CRS Jurisdiction](#).
- Standing instructions from an ING Belgium account (other than with respect to a [Depository Account](#)) to an account maintained in a [Participating CRS Jurisdiction](#).

Having one of these indicia does not mean that the client has in fact [Tax Resident](#) status in another jurisdiction, only that he needs closer scrutiny.

What is a Reportable Account under CRS?

Any [Financial Account](#) that falls into the scope of CRS reporting and which is held by:

- one or more [Reportable Persons](#), or
- a [Passive NFE](#) with one or more [Controlling Person\(s\)](#) who is/are (a) [Reportable Person\(s\)](#), or
- any [Non-documented Individual](#).

Which information will be reported to the tax authorities regarding reportable individual accounts?

To be compliant a reporting [Financial Institution](#) is required to disclose details of any individual who is an [Account Holder](#) and a [Reportable Person](#), in short, who falls into the scope of CRS.

The information that must be provided includes:

- 1) The name, address, jurisdiction(s) of residence, [Taxpayer Identification Number\(s\)](#) (“TIN”) and date and place of birth;
- 2) The account number(s);
- 3) The year-end account balance(s) or value (starting 31st December 2016) or, if an account was closed during the year, a “0”-balance for that account; and
- 4) In the case of any:
 - a. [Custodial Account](#):
 - i. The total gross amount of interest, dividends or other income generated with respect to the assets held in the account, in each case paid or credited to the account during the calendar year or other appropriate reporting period; and
 - ii. The total gross proceeds from the sale or redemption of [Financial Assets](#) paid or credited to the account during the calendar year or other appropriate reporting period.
 - b. [Depository Account](#):
The total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and
 - c. Account other than a [Custodial Account](#) or a [Depository Account](#):
The total gross amount paid or credited to the [Account Holder](#) with respect to the account during the calendar year or other appropriate reporting period with respect to which the reporting [Financial Institution](#) is the obligor or debtor, including the aggregate amount of any redemption payments made to the [Account Holder](#) during the calendar year or other appropriate reporting period.

Remark:

Disclosure is required not only in relation to direct [Account Holders](#) but also to any [Controlling Person](#) of [Account Holders](#), such as foreign shareholders in some Belgian [Non-financial Entities](#) that are [Passive NFEs](#).

Does ING have any plans to stop accepting private foreign customers, due to CRS?

Foreign [Tax Residents](#) are and remain welcome in ING for banking solutions as long as they are willing to comply with the CRS obligations. However, ING will not open new financial accounts for customers who do not agree to provide a valid self-certification and thus wish to remain non-documented for CRS purposes.

I am already a client of ING Belgium and I've been contacted by ING because I have foreign Indicia. Am I obliged to fill in the self-certification form?

It is strongly recommended to fill in the self-certification form. You should be aware that, should you not fill in this form, ING Belgium will be obliged to report your accounts to the Belgian Tax Authorities (“[FPS Finances](#)”), according to all the [Indicia](#) linking you to a [Participating CRS Jurisdiction](#) that are

found in your customer data. [FPS Finances](#) will forward the information to the tax authorities in the appropriate [Participating CRS Jurisdiction\(s\)](#).

I want to become a client of ING Belgium and I have foreign Indicia. Am I obliged to fill in the self-certification form?

Yes. ING Belgium has decided not to enter into relations with potential clients who are not willing to comply with the request for CRS documentation.

I'm already a client of ING Belgium. Why did I receive a request for documentation?

You can get a request for documentation in four cases:

1. You are an existing customer and hold a [Financial Account](#) with ING Belgium. Your customer details show one or more foreign [Indicia](#).
2. You are an existing customer but don't own a [Financial Account](#) with ING Belgium. For example, you hold an ING Auto insurance policy or a Star Fund account. These products are not considered to be [Financial Accounts](#) under CRS. Now you wish to open a current or deposit account with ING Belgium that are considered [Financial Accounts](#) under CRS. We have analysed your customer details and found one or more foreign [Indicia](#).
3. You have informed us about a change in your customer information, for example providing us with a new address located in a [Participating CRS Jurisdiction](#).
4. You are an existing customer and hold a [Financial Account](#) with ING Belgium. Your customer data does not show any foreign [Indicium](#) but you have granted a power of attorney or signatory authority to a person with a (mailing, residence, post office box or c/o) address in a [Participating CRS Jurisdiction](#).

I was born in a country that is now a Participating CRS Jurisdiction but I have never lived there. Am I to be considered as a Tax Resident of that country?

Unlike under [FATCA](#) where U.S. tax liability is attached to citizenship rather than only to residence, under CRS, citizenship is not necessarily an indicator of [Tax Residency](#), which means that, if you are living abroad, you are more likely to be a [Tax Resident](#) in the country where you currently reside.

I have no link with any country other than Belgium but I gave proxy on my account to someone who is a foreign resident. What does it mean for me?

Granting a power of attorney or signatory authority to a person with a (mailing, residence, post office box or c/o) address in a [Participating CRS Jurisdiction](#) is considered an [Indicium](#) under CRS.

As a consequence, unless you provide a self-certification form, your account will be treated as a [Reportable Account](#) and will be reported to the Belgian Tax Authorities ("[FPS Finances](#)") who will forward the information to the tax authorities in the appropriate [Participating CRS Jurisdiction](#) (this is the jurisdiction where the person you granted a power of attorney or signatory authority is a [Tax Resident](#)).

The information in the ING database is not correct and I have no foreign link. What can I do to cure this situation?

Please contact your ING branch. Depending on the [Indicium](#) in the ING database, you will have to provide additional documentation.

I am a French national and have a Belgian identity card for EU citizens and a French passport but I live and work in Belgium and only use my French passport when I travel abroad. Am I considered as a French resident for tax purposes?

No. If you have no foreign [Indicium](#) whatsoever beside your foreign citizenship, you will not be considered as a foreign [Tax Resident](#).

I am a Belgian student currently on an Erasmus exchange with a university in another EU country. Am I considered as a Tax Resident in this country and liable under CRS?

You can usually find additional information on your tax status on your university's website or contact the administration that has issued your staying permit.

My daughter is a student in Spain and I have standing instructions to transfer each month a certain amount of money to her account there. Is my account with ING Belgium liable under CRS?

Having standing instructions from your [Depository Account](#) (where you conduct your ordinary banking business) to another [Depository Account](#) with a [Financial Institution](#) in a [Participating CRS Jurisdiction](#) is not considered as an [Indicium](#) under CRS.

However, having such standing order on a non-depository account, e.g. your securities account paying monthly interest or dividend that you transfer to your daughter's account abroad, will be considered as an [Indicium](#) under CRS.

I am a U.S. citizen and I have provided ING with all the documentation requested under FATCA. The United States don't participate in the CRS as they have devised their own reporting system. Will ING contact me for CRS?

Being a Specified U.S. Person under [FATCA](#) does not necessarily mean that you will not have to provide additional documentation under the CRS. Indeed, as a U.S. citizen, you can also be a resident in any other [Participating CRS Jurisdiction](#). It is possible that ING will contact you to provide additional documentation, in case this would be required under CRS.

Legal Entities

What are the Indicia applicable under the Standard for Automatic Exchange of Financial Information in Tax Matters (“AEOI”)?

Indicia are indicators that a person, private individual or legal entity, could be considered as a [Tax Resident](#) in another country.

For legal entities, they usually are:

- The country of incorporation or residence is a [Participating CRS Jurisdiction](#) other than the country of residence of the reporting [Financial Institution](#),
- Current (mailing, residence, post office box or c/o) address is in a [Participating CRS Jurisdiction](#).

Having one of these indicia does not mean that the client is in fact a [Tax Resident](#) of another jurisdiction, only that he needs closer scrutiny.

What is a Reportable Account under CRS?

Any [Financial Account](#) that falls into the scope of CRS reporting and which is held by:

- one or more [Reportable Persons](#), or
- a [Passive NFE](#) with one or more [Controlling Persons](#) who is a [Reportable Person](#), or
- any [Non-documented Individual](#).

What is a Non-financial Entity (“NFE”)?

A Non-financial Entity is a legal entity that is not a [Financial Institution](#).

There are two categories of NFEs:

- Active NFEs are engaged in an active trade or business (production, industry, non-financial services, etc.) where less than 50% of their gross income for the preceding calendar year is passive.

Example: A bakery produces bread and has no other income besides the income generated by this activity.

- Passive NFEs have gross income that derives for more than 50% from passive income (a. o. dividends, interests, rents, royalties, annuities).

Example: A bakery has a large investment portfolio and has more income from financial investments than from its business activity.

Which information will be reported to the tax authorities regarding entity accounts?

To be compliant a reporting [Financial Institution](#) is required to disclose details of any entity that is an [Account Holder](#) and a [Reportable Person](#), in short, who falls into the scope of CRS.

The information that must be provided includes:

- 1) The name, address, jurisdiction(s) of residence, and [Taxpayer Identification Number\(s\)](#) (“TIN”) of the entity;
- 2) The account number(s);
- 3) The year-end balance or value (starting 31st December 2016) of each account or, if an account was closed during the year, a “0”-balance for that account; and
- 4) In the case of any:
 - a. [Custodial Account](#):
 - i. The total gross amount of interest, dividends or other income generated with respect to the assets held in the account, in each case paid or credited to the account during the calendar year or other appropriate reporting period; and
 - ii. The total gross proceeds from the sale or redemption of [Financial Assets](#) paid or credited to the account during the calendar year or other appropriate reporting period.
 - b. [Depository Account](#):
The total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and
 - c. Account other than a [Custodial Account](#) or a [Depository Account](#):
The total gross amount paid or credited to the [Account Holder](#) with respect to the account during the calendar year or other appropriate reporting period with respect to which the reporting [Financial Institution](#) is the obligor or debtor, including the aggregate amount of any redemption payments made to the [Account Holder](#) during the calendar year or other appropriate reporting period.

In addition, in the case the entity is an [Account Holder](#) and is identified as having one or more [Controlling Persons](#) who are [Reportable Persons](#), the reporting [Financial Institution](#) is required to disclose:

- 1) The name, address, jurisdiction(s) of residence, and [Taxpayer Identification Number\(s\)](#) (“TIN”) of the entity; and
- 2) The name, address, jurisdiction(s) of residence, [Taxpayer Identification Number\(s\)](#) (“TIN”) and date and place of birth of each [Controlling Person](#) who is a [Reportable Person](#).

My company is a Passive NFFE (U.S.-Owned) under FATCA and I have provided ING with all the requested information about the U.S. owners. The United States don't participate in the CRS as they have devised their own reporting system. Will ING contact me for CRS?

Even if you correctly identified and documented the [Controlling Persons](#) of your company who are Specified U.S. Individuals under [FATCA](#), these [Controlling Persons](#) might also be resident in another [Participating CRS Jurisdiction](#) or there might be additional [Controlling Persons](#) who are resident in another [Participating CRS Jurisdiction](#). In such case, it is likely that ING will contact you to provide additional documentation for CRS.

Glossary

Account Holder

Person listed or identified as the holder of a [Financial Account](#) by the [Financial Institution](#) that maintains the account.

A person, other than a [Financial Institution](#), holding a [Financial Account](#) for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of the Common Reporting Standard, and such other person is treated as holding the account.

In the case of a [Cash Value Insurance Contract](#) or an [Annuity Contract](#), the Account Holder is any person entitled to access the cash value or change the beneficiary of the contract.

If no person can access the cash value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a [Cash Value Insurance Contract](#) or an [Annuity Contract](#), each person entitled to receive a payment under the contract is treated as an Account Holder.

Annuity Contract

Generally includes contracts where the issuer agrees to make payments for a period of time determined in whole or in part by life expectancy.

Active NFE

[Non-financial Entity](#) that has one of the following characteristics:

- a. Generated for the preceding calendar year or other appropriate reporting period 50 per cent or more of its gross income from active operations (as opposed to investments); OR
- b. [NFE](#) (or [Related Entity](#)) regularly traded on an established securities market; OR
- c. Holding [NFE](#) that is a member of a non-financial group. 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 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; OR
- d. Start-up [NFE](#). [NFE](#) is not yet operating a business and has no prior operating history, 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](#); OR
- e. [NFE](#) that is liquidating or reorganising and was not a [Financial Institution](#) in the past five years; OR
- f. Treasury centre that is a member of a non-financial group. 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
- g. Non-profit NFE.

Cash Value Insurance Contract

Generally includes contracts that insure against mortality, morbidity, accident, liability or property risk that have a Cash Value. Pure risk insurance with no Cash Value is excluded.

Competent Authority Agreement (“CAA”)

Specifies the details of what information will be exchanged and when. It is a multilateral framework agreement, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications under Section 7 of the agreement.

A CAA is a commitment by a country to implement CRS in the local laws.

Controlling Person

Individual who ultimately owns or exercises control over the management of an entity.

In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) 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](#) (FATF).

Custodial Account

Account (other than an insurance contract or [Annuity Contract](#)) that holds one or more [Financial Assets](#) for the benefit of another person.

Custodial Institution

Entity that holds [Financial Assets](#) for the account of others as a substantial portion of its business.

To meet the substantial portion test, 20 per cent or more of the entity’s gross income must be attributable to the holding of [Financial Assets](#) and related financial services during the shorter of:

- a. 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
- b. the period during which the entity has been in existence.

‘Income attributable to holding [Financial Assets](#) and related financial services’ means:

- custody, account maintenance, and transfer fees;
- commissions and fees earned from executing and pricing securities transactions with respect to [Financial Assets](#) held in custody;

- income earned from extending credit to customers with respect to [Financial Assets](#) held in custody (or acquired through such extension of credit);
- income earned on the bid-ask spread of [Financial Assets](#) held in custody;
- fees for providing financial advice with respect to [Financial Assets](#) held in (or potentially to be held in) custody by the entity; and
- fees for clearance and settlement services.

Entities that safe keep [Financial Assets](#) for the account of others, such as custodian banks, brokers and central securities depositories, would generally be considered Custodial Institutions. Entities that do not hold [Financial Assets](#) for the account of others, such as insurance brokers, will not be Custodial Institutions.

Depository Account

Includes:

- Any commercial, checking, savings, time, or thrift¹ account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a [Financial Institution](#) in the ordinary course of a banking or similar business;
- An amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon;
- An account that is evidenced by a passbook.

Negotiable debt instruments that are traded on a regulated market or over-the counter market and distributed and held through [Financial Institutions](#) would not generally be considered Depository Accounts, but [Financial Assets](#).

Depository Institution

Entity that accepts deposits in the ordinary course of a banking or similar business.

An entity is considered to be engaged in a “banking or similar business” if, in the ordinary course of its business with customers, the entity accepts deposits or other similar investments of funds and regularly engages in one or more of the following activities:

- a. makes personal, mortgage, industrial, or other loans or provides other extensions of credit; OR
- b. purchases, sells, discounts, or negotiates accounts receivable, instalment obligations, notes, drafts, checks, bills of exchange, acceptances, or other evidences of indebtedness; OR
- c. issues letters of credit and negotiates drafts drawn thereunder;
- d. provides trust or fiduciary services; OR
- e. finances foreign exchange transactions; OR
- f. enters into, purchases, or disposes of finance leases or leased assets.

An entity is not considered to be engaged in a banking or similar business if it solely accepts deposits from persons as a collateral or security pursuant to a sale or lease of property or pursuant to a similar financing arrangement between such entity and the person holding the deposit with the entity.

¹ Home savings account / Compte d'épargne-logement / Bouwspaarrekening

Savings banks, commercial banks, savings and loan associations, and credit unions would generally be considered Depository Institutions. However, whether an entity conducts a banking or similar business is determined based upon the character of the actual activities of such entity.

Early Adopter Countries

Countries that have agreed to become [Participating CRS Jurisdictions](#) as of 2016 and to enact domestic legislation to require local [Financial Institutions](#) to start CRS identification on 1 January 2016 and reporting in 2017.

Excluded Account

Accounts that would otherwise be CRS [Financial Accounts](#), but are excluded from the review requirements because they are considered to be at low risk of being used for tax evasion and are therefore not [Reportable Accounts](#). This category includes:

- a. certain retirement or pension accounts,
- b. certain savings accounts,
- c. certain life insurance contracts,
- d. certain estates,
- e. certain escrow accounts,
- f. certain depository accounts, and
- g. local law exceptions.

Foreign Account Tax Compliance Act (“FATCA”)

U.S. legislation, included in the Hiring Incentives to Restore Employment (“HIRE”) Act on 18 March 2010, that is primarily a reporting system, i.e. a global system of automatic exchange of information between the United States and other countries. Amongst other, non-U.S. financial institutions have to

- **Identify** and obtain information on account holders that is necessary to determine which accounts are U.S. reportable accounts;
- Annually **report** information on their customer data, their account balances and financial income.

Federal Public Service Finance (“FPS Finance”)

Entity of the Belgian federal authorities fulfilling, amongst other responsibilities, the role of Belgian tax agency.

Financial Account

Includes:

1. a [Depository Account](#),
2. a [Custodial Account](#) and:
 - a. in the case of an [Investment Entity](#), any equity or debt interest in the [Financial Institution](#). Notwithstanding the foregoing, the term “Financial Account” does not include any equity or debt interest in an entity that is an [Investment Entity](#) solely because it

- (i) renders investment advice to, and acts on behalf of, or
- (ii) manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering [Financial Assets](#) deposited in the name of the customer with a [Financial Institution](#) other than such entity; AND
- b. in the case of a [Financial Institution](#) not described in the above paragraph, any equity or debt interest in the [Financial Institution](#), if the class of interests was established with a purpose of avoiding reporting in accordance with Section I of the Agreement; AND
- c. any [Cash Value Insurance Contract](#) and any [Annuity Contract](#) issued or maintained by a [Financial Institution](#), other than a noninvestment-linked, non-transferable immediate life annuity that is issued to an individual and monetizes a pension or disability benefit provided under an account that is an [Excluded Account](#).

The term “Financial Account” does not include any account that is an [Excluded Account](#).

Financial Asset

Includes:

- a security, partnership interest, commodity, swap, insurance contract or [Annuity Contract](#), or
- any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, insurance contract, or [Annuity Contract](#).

While it does not refer to assets of every kind, it intends to encompass any assets that may be held in an account maintained by a [Financial Institution](#) with the exception of a non-debt, direct interest in real property; or a commodity that is a physical good, such as wheat.

Negotiable debt instruments that are traded on a regulated market or over-the-counter market and distributed and held through [Financial Institutions](#), and shares or units in a real estate investment trust, would generally be considered [Financial Assets](#).

The term “Financial Asset” does not include a non-debt, direct interest in real property.

Financial Institution

- [Custodial Institution](#),
- [Depository Institution](#),
- [Investment Entity](#), or
- [Specified Insurance Company](#).

Governmental entities, international organisations, central banks or their wholly owned subsidiaries are also considered as financial institutions under CRS albeit non-reporting financial institutions unless a payment is derived from commercial financial activities in which they would intervene.

G20

The Group of Twenty (also known as the G-20 or G20) is an international forum for the governments and central bank governors from 20 major economies. The members include 19 individual countries (Argentina, Australia, Brazil, Canada, China, France, Germany, India, Indonesia, Italy, Japan, Mexico, Russia, Saudi Arabia, South Africa, South Korea, Turkey, the United Kingdom and the United States)

along with the European Union (EU). The EU is represented by the European Commission and by the European Central Bank.

Indicia

Indicators that a person, private individual or legal entity, could be considered as a [Tax Resident](#) in another country.

For private individuals, they usually are:

- Residence address in a [Participating CRS Jurisdiction](#) other than the country of residence of the reporting [Financial Institution](#),
- Current (mailing, residence, post office box or c/o) address in a [Participating CRS Jurisdiction](#),
- Sole address is a care of address or hold mail in a [Participating CRS Jurisdiction](#),
- One or more telephone numbers in a [Participating CRS Jurisdiction](#) and no telephone number in the country of residence of the reporting [Financial Institution](#),
- A currently effective power of attorney or signatory authority granted to a person with a (mailing, residence, post office box or c/o) address in a [Participating CRS Jurisdiction](#).
- Standing instructions (other than with respect to a [Depository Account](#)) from an ING Belgium account to an account maintained in a [Participating CRS Jurisdiction](#).

For legal entities, they usually are:

- The country of incorporation or residence is a [Participating CRS Jurisdiction](#) other than the country of residence of the reporting [Financial Institution](#),
- Current (mailing, residence, post office box or c/o) address is in a [Participating CRS Jurisdiction](#).

Intergovernmental Agreement (“IGA”)

Bilateral agreement between a country’s tax authority and the U.S. government that facilitates compliance with FATCA. The model agreements enable Foreign Financial Institutions in the designated jurisdictions to comply with FATCA, especially where privacy laws exist. There are currently two types of IGAs: Model 1 and Model 2.

Belgium signed a Model 1 agreement with the IRS on 23 April 2014. This IGA includes provisions specific to Belgium in addition to simplified due diligence and withholding requirements. Under this agreement, Belgian financial institutions report to the [Federal Public Service \(FPS\) Finance](#). FPS Finance supplies the information received to the U.S.

Investment Entity

Entity:

- a. that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
 - (i) 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; OR
 - (ii) individual and collective portfolio management; OR
 - (iii) otherwise investing, administering, or managing [Financial Assets](#) or money on behalf of other persons; OR

- b. the gross income of which is primarily attributable to investing, reinvesting, or trading in [Financial Assets](#), if the entity is managed by another entity that is a [Depository Institution](#), a [Custodial Institution](#), a [Specified Insurance Company](#), or an [Investment Entity](#).

Note: An investment entity includes an entity that functions (or holds itself out) as an investment fund, such as private equity fund, venture capital fund, leverage 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 investments purposes.

Non-financial Entity (“NFE”)

Any entity that is not a [Financial Institution](#).

Organisation for Economic Co-operation and Development (“OECD”)

An international economic organisation of 34 countries, founded in 1961 to stimulate economic progress and world trade, it is a forum of countries describing themselves as committed to democracy and the market economy, providing a platform to compare policy experiences, seeking answers to common problems, identify good practices and coordinate domestic and international policies of its members.

Participating CRS Jurisdiction

Jurisdiction that signed a Competent Authority Agreement. It includes all European Union Member States (by application of the Directive on Administrative Cooperation (Directive 2014/107/UE)).

Until now, 61 jurisdictions have signed the multilateral [Competent Authority Agreement](#) to automatically exchange information under the Standard.

At present, signatories are:

- [Early Adopter Countries](#): Anguilla, Argentina, Belgium, Bermuda, the British Virgin Islands, the Cayman Islands, Colombia, Croatia, Curaçao, Cyprus, the Czech Republic, Denmark, Estonia, the Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Guernsey, Hungary, Iceland, India, Ireland, the Isle of Man, Italy, Jersey, South Korea, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Mauritius, Mexico, Montserrat, the Netherlands, Norway, Poland, Portugal, Romania, San Marino, the Seychelles, the Slovak Republic, Slovenia, South Africa, Spain, Sweden, the Turks & Caicos Islands, and the United Kingdom.
- [Second Wave Countries](#): Albania, Aruba, Australia, Austria, Canada, Chile, Costa Rica, Ghana, Indonesia, New Zealand, and Switzerland.

Other countries have already committed to implement CRS but have not yet committed to a date.

For the purpose of this document, Participating CRS Jurisdiction means any signatory country other than Belgium.

Passive Income

Includes the portion of gross income that consists of:

- (i) dividends and dividend substitute payments (income equivalent to dividend); OR
- (ii) interest and income equivalent to interest; OR
- (iii) income equivalent to interest rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the [NFE](#); OR
- (iv) annuities; OR
- (v) the excess of gains over losses from the sale or exchange of [Financial Assets](#) that gives rise to the Passive Income described previously; OR
- (vi) the excess of gains over losses from transactions (including futures, forwards, options and similar transactions) in any [Financial Assets](#); OR
- (vii) the excess of foreign currency gains over foreign currency losses; OR
- (viii) net income from swaps; OR
- (ix) amounts received under [Cash Value Insurance Contracts](#).

Notwithstanding the foregoing, Passive Income will not include, in the case of a [NFE](#) that regularly acts as a dealer in [Financial Assets](#), any income from any transaction entered into in the ordinary course of such dealer's business as such a dealer.

Passive NFE

Entity that is not an [Active NFE](#).

A [Financial Institution](#) in a country that is not a [Participating CRS Jurisdiction](#) will be treated as a Passive NFE for the purposes of CRS and required to identify their [Controlling Persons](#) who are [Reportable Persons](#) in [Participating CRS Jurisdictions](#).

Pre-existing Client

Client who was a customer of a [Financial Institution](#) before CRS can into force in the [Jurisdiction](#) where the Financial Institution is established.

Related Entity

An entity is a Related Entity of another entity if either entity controls the other entity, or the two entities are under common control. For this purpose control includes direct or indirect ownership of more than 50 per cent of the vote and value in an entity.

Reportable Account

[Financial Account](#) held by one or more [Reportable Persons](#) or by a [Passive NFE](#) with one or more [Controlling Persons](#) who is/are (a) [Reportable Person\(s\)](#).

Reportable Person

[Tax Resident](#) of a [Participating CRS Jurisdiction](#).

Second Wave Countries

Countries that have agreed to become [Participating CRS Jurisdictions](#) as of 2017 and to enact domestic legislation to require local [Financial Institutions](#) to start CRS identification on 1 January 2017 and reporting in 2018.

Specified Insurance Company

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](#).

Substantial Test of Presence

You will be considered a U.S. resident for tax purposes (under FATCA) if you meet the “substantial test of presence”. To meet this test, you must have been physically present in the United States for at least:

- 31 days during last year, and
- 183 days during the 3-year period that includes last year and the previous two years, counting:
 - o All the days you were present during last year, and
 - o 1/3 of the days you were present the year before, and
 - o 1/6 of the days you were present the previous year.

Tax Resident

Individual or entity resident under a tax law of a jurisdiction when there is a full liability to tax. The concept of tax residency may differ from jurisdiction to jurisdiction. Common international criteria that may be factored into tax residency include:

- (A)** Domicile in a jurisdiction; OR
- (B)** Place of effective management or incorporation/organisation; OR
- (C)** Nationality.

It should be noted that a temporary stay in a jurisdiction can contribute to tax residency. Further it is possible that an individual or entity is considered a Tax Resident in more than one jurisdiction². Government officials, diplomats and military personnel are generally Tax Resident in their home jurisdiction.

The actual determination of tax residency takes place under the local tax regime(s). A tie-breaker rule is included in tax conventions between two jurisdictions, which in case of double tax residency determine what your tax residency is. [Participating Jurisdictions](#) are expected to help taxpayers determine, and provide them with information with respect to, their residence(s) for tax purposes. That may be done, for example, through the various service channels used for providing information or guidance to taxpayers on the application of tax laws (e.g. phone, walk-in offices, internet).

² An individual has his permanent home in Jurisdiction A and is taxed as being a resident of Jurisdiction A. He has had a stay of more than six months in Jurisdiction B and according to the legislation of the latter Jurisdiction he is, in consequence of the length of the stay, taxed as being a resident of that Jurisdiction. Thus, he is resident of both Jurisdictions.

The domestic laws of the other countries lay down the conditions under which an entity is to be treated as tax resident. They cover various forms of attachment to a country which, in the domestic taxation laws, form the basis of a comprehensive taxation (full tax liability). You can check the conditions with the local government or by visiting the website www.oecd.com/taxresidence. We are not allowed to provide tax advice to determine a client's tax residence.

Legal arrangements and tax residency: An entity such as a legal arrangement, that has no residence for tax purposes (transparent entities) is tax resident for CRS purposes in the jurisdiction in which its place of effective management is located. If there is no place of effective management, the address of its principal office can serve as a proxy for determining residence. Please note therefore that the residence for CRS purposes may differ from the residence for other purposes.

Please consult a tax advisor if you are not sure about your tax residence.

Taxpayer Identification Number ("TIN")

Identifying number used by receiving³ tax authorities to identify individual [Account Holders](#) or [Controlling Persons](#).

Undocumented Account or Individual

If a "hold mail" instruction or "in-care-of" address is the sole address available for a customer and no other address or other indicia are identified for the customer, [Financial Institutions](#) must obtain a self-certification from the customer to establish his [Tax Residence\(s\)](#). If a [Financial Institution](#) cannot obtain such self-certification, it must report the account of the individual as an Undocumented Account. The individual will in that case be classified as Undocumented Individual.

³ The Participating CRS Jurisdictions receiving the Information forwarded by the FPS Finances.