

**The Decree issued in accordance with the Assessment and Collection of  
Taxes Laws of 1978 until 2015 by virtue of section 6(16) of the Law**

**Introductory**

WHEREAS, to improve international tax compliance based on the standard for automatic exchange of financial account information [Common Reporting Standard (CRS)] developed by the Global Forum of the Organization for Economic Co-Operation and Development (OECD), the Government of the Republic of Cyprus signed the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information on 29th October 2014 after the decision of the Council of Ministers on 22<sup>nd</sup> October 2014

**Government  
Gazette, Appendix 7  
(I) 18/12/2015**

AND WHEREAS there is a need to implement the Agreement in the Republic of Cyprus, as well as to provide and to coordinate the reporting obligations of Cyprus Financial Institutions,

The Minister of Finance, by exercising the powers conferred upon him under section 6(16) of the Assessment and Collection of Taxes Laws of 1978 until 2015, issues the following Decree:

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23 του 1978  
41 του 1979  
164 του 1987  
159 του 1988  
196 του 1989  
10 του 1991  
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86(I) του 1994  
104(I) του 1995  
80(I) του 1999  
153(I) του 1999  
122(I) του 2002  
146(I) του 2004  
214(I) του 2004  
106(I) του 2005  
135(I) του 2005  
72(I) του 2008  
46(I) του 2009  
136(I) του 2010  
163(I) του 2012  
197(I) του 2012  
198(I) του 2012  
91(I) του 2013  
78(I) του 2014  
79(I) του 2014  
108(I) του 2015.**

- Short title** 1. This decree shall be cited as **“the Assessment and Collection of Taxes (Exchange of Information)”**, within the framework of the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information 27/01/2016, decree of 2015.
- Scope** 2. The Decree has effect for and in connection with the implementation of obligations arising under the Multilateral Competent Authority Agreement on the Automatic Exchange of Financial Account Information (“the MCAA”)
- Definitions** 3.(1) In this decree unless the context otherwise requires, the defined terms are stipulated below:
- “Agreement”** means the Multilateral Agreement of Competent Authorities for the automatic exchange of financial account information.
- “A Low Value Account”** is a Pre-existing Individual Account with a balance or value as of 31 December 2015 that does not exceed US\$1.000.000.
- “A High Value Account”** is a Pre-existing Individual Account with a balance or value that exceeds US\$1.000.000 as of 31 December 2015 or 31 December of any subsequent year.
- “Account Holder”** means the 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, other than a third person acting as an intermediary as stipulated in section 7 below, is not treated as holding the account for purposes of the CRS, 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;
- “Active NFE”** means any NFE that meets any of the following criteria:
- (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;

(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;

(c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;

(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;

(e) the 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;

(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;

(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

(h) the NFE meets all of the following requirements:

(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;

(ii) it is exempt from income tax in its jurisdiction of residence;

(iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

(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

(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 thereof.

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**"AML/KYC Procedures"** means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering to which such Reporting Financial Institution is subject as defined by the Prevention and Suppression of Money Laundering Law (Law 188(I)/2007);

**"Annuity Contract"** means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the law, regulation, or practice of the jurisdiction in which the contract was issued, and under which the issuer agrees to make payments for a term of years;

**"Broad Participation Retirement Fund"** means a fund established to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund:

- (a) does not have a single beneficiary with a right to more than five per cent of the fund's assets;
- (b) is subject to government regulation and provides information reporting to the tax authorities; and
- (c) satisfies at least one of the following requirements:
  - (i) the fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate, due to its status as a retirement or pension plan;
  - (ii) the fund receives at least 50% of its total contributions (other than transfers of assets from other plans described in Section 2 (e)-(g) of the MCAA) or from retirement and pension accounts described under the point (a) of the term "Excluded Account" from the sponsoring employers;
  - (iii) distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other retirement funds described in ~~h~~

Section 2 (e)-(g) of the MCAA) or from retirement and pension accounts described under the point (a) of the term “Excluded Account” from the sponsoring employers; or

(iv) contributions (other than certain permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed USD 50 000 annually, applying the rules set forth in Section 29 and 30 for account aggregation and currency translation;

**“Cash Value Insurance Contract”** means an Insurance Contract that has Cash Value.

**“Cash Value”** means the greater of:

- (a) the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and
- (b) the amount the policyholder can borrow under or with regard to the contract.

Notwithstanding the foregoing, the term “Cash Value” does not include an amount payable under an Insurance Contract:

- (i) solely by reason of the death of an individual insured under a life insurance contract;
- (ii) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against;
- (iii) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract;
- (iv) as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in Section (b) above or
- (v) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract

**“Central Bank”** means the Central Bank of Cyprus or the Central Bank of other Jurisdictions (EU countries and third countries).

**“Competent Authority”** means the Ministry of Finance or the person or the authority appointed thereby.

**“Controlling persons”** means:

- (a) For companies and cooperative societies the ultimate beneficial owner, which is the natural person(s) who ultimately owns or controls a legal entity through direct or indirect ownership; a percentage of 10% plus one share is deemed sufficient to meet this criterion, as defined by the Prevention and Suppression of Money Laundering Law (Law 188(I)/2007) and the relevant Directives of the Central Bank of Cyprus:

Where no natural person(s) is identified as exercising control of the Entity, the Controlling Person(s) of the Entity will be natural persons(s) who holds the position of senior managing official except for entities that are (or are majority owned subsidiaries of) an entity that is listed on a stock exchange and is subject to market regulation and disclosure requirements to ensure adequate transparency of beneficial ownership.

- (b) For Unions, Administrative Committees, Foundations, Clubs, Associations and Fund Raising Committees, means the members of the Board of Directors/Committee and administrators of accounts.
- (c) For trusts accounts the Settlor(s), trustee(s), the protector(s) (if any), the beneficiary(ies) or classes of beneficiaries and any other natural person(s) exercising ultimate effective control over the trust.

**“Custodial Account”** means an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets for the benefit of another person.

**“Custodial Institution”** means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if 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:

- (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.

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

**“Entity”** means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.

**“Exempt Collective Investment Vehicle”** means an Investment Entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through individuals or Entities that are not Reportable Persons, except a Passive NFE with

Controlling Persons who are Reportable Persons.

**“Excluded Account”** means any of the following accounts:

(a) a retirement or pension account that satisfies the following requirements:

- i) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits);
- ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);
- iii) information reporting is required to the tax authorities with respect to the account;
- iv) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and
- v) either annual contributions are limited to USD 50 000 or less, or there is a maximum lifetime contribution limit to the account of USD 1 000 000 or less, in each case applying the rules set forth in Sections 29 and 30 for account aggregation and currency translation:

A Financial Account that otherwise satisfies the requirement of subparagraph (a)-(v) above will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of subparagraph (a) or (b) from one or more retirement or pension funds that meet the requirements of any of Broad Participation Retirement Fund, or Narrow Participation Retirement Fund or Pension Fund of a Governmental Entity, International Organisation or Central Bank.

b) an account that satisfies the following requirements:

- i) the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement;
- ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);
- iii) withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and

iv) annual contributions are limited to US\$ 50 000 or less, applying the rules set forth in section 29 and 30 for account aggregation and currency translation:

A Financial Account that otherwise satisfies the requirement of subparagraph (b)(iv) will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of subparagraph (a) or (b) above or from one or more retirement or pension funds that meet the requirements of any of Broad Participation Retirement Fund, or Narrow Participation Retirement Fund or Pension Fund of a Governmental Entity, International Organisation or Central Bank.

c) a life insurance contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements:

- i) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter;
- ii) the contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract;
- iii) the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and
- iv) the contract is not held by a transferee for value.

d) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate.

e) an account established in connection with any of the following:

- i) a court order or judgment.
- ii) a sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:
  - (i) the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property;
  - (ii) the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease;
  - (iii) the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation)



when the property is sold, exchanged, or surrendered, or the lease terminates;

- (iv) the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and
- (v) the account is not associated with an account described in subparagraph (f) below.

iii) an obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time.

iv) an obligation of a Financial Institution solely to facilitate the payment of taxes at a later time.

f) a Depository Account that satisfies the following requirements:

i) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and

ii) beginning on or before 1/1/2016, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of US\$ 50 000, or to ensure that any customer overpayment in excess of US\$ 50 000 is refunded to the customer within 60 days, in each case applying the rules set forth in section 30 for currency translation:

For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

g) any other account that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the accounts described in subparagraphs (a)-(f) above, and is defined in domestic law as an Excluded Account, provided that the status of such account as an Excluded Account does not frustrate the purposes of the Common Reporting Standard.

**“Dormant account”** is an account if:

(a) the account holder has not initiated a transaction with regard to the account or any other account held by the Account Holder with the Reporting Cyprus Financial institution in the previous three years,

(b) the Account Holder has not communicated with the Reporting Cyprus Financial Institution that maintains such account regarding the account or any other account held by the Account Holder with the Reporting Cyprus Financial Institution in the past six years,

(c) in the case of a Cash Value Insurance Contract, the Reporting Cyprus Financial Institution has not communicated with the Account Holder that holds such account regarding the account or any other account held by the Account Holder with the Reporting Cyprus Financial Institution in the past six years, and

(d) the account is treated as a dormant account under the reporting financial institutions normal operating procedures.

**“Financial Account”** means an account maintained by a Financial Institution, and includes a Depository Account, 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;

(b) in the case of a Financial Institution not described in subparagraph (a) above, 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 11; 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 monetises 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 (interest rate swaps, currency swaps, different base rates swaps, maximum rate limit contracts, interest rate collars contracts, commodity swaps, equity swaps, swaps linked to share indices or similar agreements), Insurance Contract or Annuity Contract, or any interest (including futures contracts, forward contracts or related options) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term “Financial Asset” does not include a non-debt, direct interest in real property.

**“Financial Institution”** means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

**“Foreign Jurisdiction”** means any Jurisdiction other than the Reporting Cyprus Financial Institution

**“Governmental Entity”** means the government of a jurisdiction, any political subdivision of a jurisdiction, or any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the foregoing. This category is comprised of the integral parts, controlled entities, and political subdivisions of a jurisdiction.

An “integral part” of a jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction. The net earnings of the governing authority must be credited to its own account or to other accounts of the jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity.

“A controlled entity” means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:

- i) the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities;
- ii) the Entity’s net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and
- iii) the Entity’s assets vest in one or more Governmental Entities upon dissolution.

Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.

“**Hold mail**” instruction means a current instruction by the Account Holder, or an agent of the Account Holder, to keep the Account Holder’s mail until such instruction is amended.

“**Investment Entity**” means any 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, foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;
  - 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:

An Entity is treated as primarily conducting as a business one or more of

the activities described in subparagraph (a) above, or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for purposes of the current subparagraph, 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:

- (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or
- (ii) the period during which the Entity has been in existence.

(c) The term "Investment Entity" does not include an Entity that is an Active NFE according to the subparagraphs (d)-(g).

**"Insurance Contract"** means a contract (other than an Annuity Contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.

**"International Organisation"** means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation (including a supranational organisation):

- (a) that is comprised primarily of governments;
- (b) that has in effect a headquarters or substantially similar agreement with the jurisdiction; and
- (c) the income of which does not inure to the benefit of private persons.

**"Law"** means the assessment and Collection of Taxes Law of 1978 as amended from time to time.

**"Narrow Participation Retirement Fund"** means a fund established to provide retirement, disability, or death benefits to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that:

- (a) the fund has fewer than 50 participants;
- (b) the fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs;
- (c) the employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts described in subparagraph (a) under the term "Excluded Account" are limited by reference to earned income and compensation of the employee, respectively;
- (d) participants that are not residents of the jurisdiction in which the fund is established are not entitled to more than 20% of the fund's assets; and
- (e) the fund is subject to government regulation;

**"New Account"** means a Financial Account maintained by a Reporting Financial Institution opened on or after 01 January 2016.

**"NFE"** means any Entity that is not a Financial Institution.

**“Non Reporting Cyprus Financial Institution”** means any Financial Institution that is:

- (a) A Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specific Insurance Company, Custodial Institution, or Depository Institution;
- (b) a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund, a Pension Fund of a governmental Entity, International Organisation or Central Bank; or a Qualified Credit Card Issuer;
- (c) any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described in subparagraphs (a) and (b) above of the decree, and is defined in domestic law as a Non Reporting Financial Institution, provided that the status of such Entity as a Non reporting Financial Institution does not frustrate the purposes of the Common Reporting Standard;
- (d) an Exempt Collective Investment Vehicle; or
- (e) a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported pursuant to section 1 of the MCAA with respect to all Reportable Accounts of the trust.

**“Passive NFE”** means any:

- (i) NFE that is not an Active NFE; or
- (ii) an Investment Entity as described under the definition of Investment Entity, paragraph (b) that is not a Participating Jurisdiction Financial Institution.

**“Participating Jurisdiction”** means a jurisdiction (EU country or a third country) which has committed itself to apply the standard for the automatic exchange of financial account information

**“Participating Jurisdiction Financial Institution”** means:

- (a) any Financial Institution that is Resident in a Participating Jurisdiction but excludes any branch of that Financial Institution that is located outside such Participating Jurisdiction, and
- (b) any branch of a Financial Institution that is not Resident in a Participating Jurisdiction if that branch is located in such Participating Jurisdiction.

**“Participating Jurisdiction Published List”** means a published list which includes all participating and reportable jurisdictions.

**“Pension Fund of a Governmental Entity, International Organisation or Central Bank”** means a fund established by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services performed for the Governmental Entity, International Organisation or Central Bank.

**“Pre-existing Entity Account”** means a Pre-existing Account held by one or more Entities.

**“Pre Existing Account”** means:

- (a) A Financial Account maintained by a Reporting Cyprus Financial Institution as of 31 December 2015.
- (b) Any Financial Account of an Account Holder , regardless of the date such a Financial Account was opened if:
  - i) The Account Holder also holds with the Reporting Cyprus Financial Institution (or with a related Entity within the same jurisdiction as the Reporting Financial Institution) a Financial account under subparagraph (a),
  - ii) The Reporting Cyprus Financial Institution (and, as applicable, the Related Entity within the same jurisdiction as the Reporting Financial Institution) treats both the aforementioned Financial Accounts, and any other Financial Accounts of the Account Holder that are treated as Pre-existing Accounts under the subparagraph (a), as a single Financial Account for purposes of satisfying the standards of knowledge requirements correct or unreliable and for purposes of determining the balance or value of any of the Financial Accounts when applying any of the account thresholds.
  - iii) With respect to a Financial Account that is subject to AML/KYC Procedures, the Reporting Cyprus Financial Institution is permitted to satisfy such AML/KYC Procedures for the Financial Account by relying upon the AML/KYC Procedures performed for the Pre-existing Account and
  - iv) The opening of the Financial Account does not require the provision of new additional or amended customer information by the Account Holder other than for purposes of the Common Reporting Standard.

**“Related Entity”** of another Entity if: (i) either Entity controls the other Entity, or (ii) the two Entities are under common control or (iii) the two Entities are Investment Entities and the gross income of both 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 another Investment Entity. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.

**“Reportable Account”** means an account held by one or more Reportable Persons or by a Passive Non-Financial Entity with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such, pursuant to the due diligence procedures set forth in the Decree.

**“Reporting Cyprus Financial institution”** means a person that carries on activities in Cyprus such as:

- (a) an Authorised Credit Institution as set out in section 2 of the Business of Credit Institutions law of 1997, as amended;
- (b) Investment Entity that is regulated by the Cyprus Securities and Exchange Commission;
- (c) a Custodial Institution;
- (d) “Specified Insurance Company” which is registered according to the Law on Insurance Services and Other Related Issues.

**“Reportable Person”** means a Reportable Jurisdiction Person other than:

- (a) a corporation the stock of which is regularly traded on one or more established securities markets;
- (b) any corporation that is a Related Entity of a corporation described in clause (a);
- (c) a Governmental Entity;
- (d) an International Organisation;
- (e) a Central Bank; or
- (f) a Financial Institution.

**“Reportable Jurisdiction”** means a jurisdiction:

- (a) with which an agreement is in place pursuant to which there is an obligation in place to exchange information
- (b) which is identified in the Participating Jurisdictions Published List.

**“Reportable Jurisdiction Person”** means an individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, 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.

**“Self-Certification”** means a certification by the Account Holder that provides the Account Holder’s status and any other information that may be

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119(I) του 2003  
80(I) του 2008  
27(I) του 2011  
107(I) του 2012  
102(I) του 2013  
5(I) του 2015.

35(I) του 2002  
141(I) του 2003  
165(I) του 2003  
69(I) του 2004  
70(I) του 2004  
136(I) του 2004  
152(I) του 2004  
153(I) του 2004  
240(I) του 2004  
17(I) του 2005  
26(I) του 2008  
105(I) του 2009  
50(I) του 2011  
132(I) του 2013

reasonably requested by the Reporting Cyprus Financial Institution to fulfil its reporting and due diligence obligations, such as whether the Account Holder is resident for tax purposes in a Reportable Jurisdiction.

**“Standardised industry coding system”** means a coding system used to classify establishments by business type for purposes other than tax purposes.

**“TIN”** means the Taxpayer Identification Number. In the absence of a TIN a functional equivalent unique identifier can be used to identify the individual or an Entity for purposes of administering the tax laws of the jurisdiction.

(2) Any term not otherwise defined in this Decree, shall have the meaning assigned to it in the MCAA and the CRS . The terms stipulated in the MCAA and the CRS are binding for the Reporting Cyprus Financial Institution.

**Registration  
Requirements**

4. Each Reporting Cyprus Financial Institution:

- (a) must comply with applicable registration requirements imposed by the Republic of Cyprus for the purposes of the MCAA,
- (b) shall submit for registration as soon as possible after its establishment or, if the Financial Institution has not yet commenced activities by the said date, the latest 30 days after the date of commencement of such activities.
- (c) has no registration obligation for the year 2016.

**Residency of  
Reporting Financial  
Institution**

5 (1) A Financial Institution is resident in a Participating Jurisdiction if it is subject to the jurisdiction of such Participating Jurisdiction, for tax purposes.

(2) If a Financial Institution does not have a residence for tax purposes it is considered subject to the jurisdiction of the Participating Jurisdiction if:

- (i) It is incorporated under the Laws of the Participating Jurisdiction;
- (ii) It has its place of management in the Participating Jurisdiction;
- (iii) It is subject to financial supervision in the Participating Jurisdiction.

(3) (a) In the case of a trust that is a Financial Institution if one or more of its trustees are resident in such a Participating Jurisdiction it is considered subject to the jurisdiction of the Participating Jurisdiction.

(b) If the trust is resident for tax purposes to another participating Jurisdiction, all information required to be reported with respect to Reportable Accounts by the trust to the other Participating jurisdiction.



- Multiple Residencies** 6. If a Financial Institution, other than a trust, is resident in two or more Participating Jurisdictions, such Financial Institution will be subject to the reporting and due diligence obligations of the Participating Jurisdiction on which it maintains the Financial Account(s).
- Client Accounts in the name of a Third Person** 7 (1). Within the framework of carrying out their usual activities, third persons acting as intermediaries, keep money on behalf of their clients in special "Client accounts" maintained in Financial Institutions.
- (2) The bank accounts referred to in subparagraph (1), may be either general accounts in which customers' money are credited or accounts where money which belong to a specific client of the third person are credited.
- (3) In the cases where:
- (a) The account is solely in the name of a person who acts as an intermediary and who is not a Financial Institutions; and
  - (b) The intermediary is not obliged to provide to the Financial Institution a statement containing the names of its clients and the respective amount of the deposit for the purposes of preventing money laundering or other requirements,
- then, if both of the above mentioned prerequisites are met, the Financial Institution must carry out the due diligence procedures provided for in the Decree solely for the intermediary.
- (4) (a) For specific client accounts, the Financial Institution shall identify the identity of the beneficial owner prior to the opening of the account, under the Directives of the Central Bank.
- (b) For such accounts, the Financial Institution shall be subject to all obligations for identifying Reportable Accounts as well as reporting obligations as set out in the Decree.
- Jointly held Accounts** 8. When more than one Reportable Person is a joint holder in a jointly held account, each Reportable person is treated as an Account Holder and is attributed the entire balance of the jointly held account.
- General Reporting Requirements** 9. (1) The Reporting Cyprus Financial Institution must comply with the following general reporting requirements:
- (a) report the information with respect to each Reportable Account of such Reporting Financial Institution as set forth in Section 2, paragraph 2 of the MCAA.
  - (b) The information reported must identify the currency in which each amount is denominated.
- (2) Notwithstanding of that specified in Article 2(2) of the MCAA:

- (a) with respect to each Reportable Account that is a Pre-existing Account, the TIN(s) with respect to each Financial Account that is opened prior to becoming a Reportable Account, the TIN(s) or date of birth is not required to be reported if such TIN(s) or date of birth is not in the records of the Cyprus Reporting Financial Institution and is not otherwise required to be collected by such Reporting Financial Institution under the relevant domestic laws. However, a Reporting Financial Institution is required to use reasonable efforts to obtain the TIN(s) and date of birth with respect to Pre-existing Accounts by the end of the second calendar year following the year in which such Accounts were identified as Reportable Accounts.
- (b) the TIN is not required to be reported if ~~(i)~~ a TIN is not issued there is no requirement to submit the TIN.
- (c) the place of birth is not required to be reported unless the Reporting Cyprus Financial Institution is otherwise required to obtain and report it under the relevant domestic laws and it is available in the electronically searchable data maintained by the Reporting Financial Institution.

**General Due  
Diligence  
Requirements  
Time of Exchange of  
Information**

10. The Reporting Cyprus Financial Institution must comply with the following general due diligence requirements:

- (a) A Reporting Cyprus Financial Institutions is requested to report the account balance or value as of the end of the calendar year or if the account was closed during the year, the closure of the account.
- (b) A Reporting Financial Institution, which pursuant to the procedures described in this Decree, identifies any account as a Foreign Account that is not a Reportable Account at the time the due diligence is performed, should rely on the outcome of such procedures to comply with future reporting obligations.
- (c) The Information to be reported is to be reported annually and will be exchanged within nine months after the end of the calendar year to which information relates: with respect to year 2016 the information will be submitted and exchanged within the year 2017.
- (d) A Reporting Cyprus Financial Institution may allow to use Service Providers to fulfil the reporting and due diligence obligations imposed on such a Reporting Cyprus Financial Institution subject to the applicable due diligence rules consistent with the Decree and the CRS. The Reporting Cyprus Financial Institution remains responsible for fulfilling these requirements and the actions of the Service Provider are imputed to the Reporting Financial Institution.
- (e) A Reporting Cyprus Financial Institution may apply the due diligence procedures for High Value Accounts, to Lower Value Accounts with

respect to all relevant Pre-existing Accounts or separately with respect to any clearly identified group of such accounts, and apply the due diligence procedures for New Accounts to Pre-existing accounts with respect to all relevant Pre-existing Accounts or separately with respect to any clearly identified group of such accounts. In this case, the rules otherwise applicable to Pre-existing Accounts continue to apply.

**Due Diligence  
Requirements for  
pre-existing  
Individual Accounts**

11. The following due diligence procedures apply with respect to Pre-existing Individual Accounts:

- (a) Residence Address: If the Reporting Cyprus Financial Institution has in its records a current residence address for the individual Account Holder based on Documentary Evidence, the Reporting Financial Cyprus Institution may treat the individual Account Holder as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining whether such individual Account Holder is a Reportable Person.
- (b) Electronic Record Search: If the Reporting Cyprus Financial Institution does not rely on a current residence address for the individual Account Holder based on Documentary Evidence as set forth in Section 11 (a), the Reporting Financial Institution must review electronically searchable data maintained by the Reporting Financial Institution for any of the following indicia and apply sections (c)-(f):
  - i) identification of the Account Holder as a resident of a Foreign Jurisdiction;
  - ii) current mailing or residence address in a Foreign Jurisdiction;
  - iii) one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting Cyprus Financial Institution;
  - iv) standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Foreign Jurisdiction;
  - v) currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction; or
  - vi) a “hold mail” instruction or “in-care-of” address in a Foreign Jurisdiction if the Reporting Cyprus Financial Institution does not have any other address on file for the Account Holder.
- (c) If none of the indicia listed in Section 11 (b) are discovered in the electronic search, then no further action is required until there is a change in circumstances that results in one or more indicia being associated with the account, or the account becomes a High Value Account.
- (d) If any of the indicia listed in Section 11 (b)(i) through (v) are discovered in the electronic search, or if there is a change in circumstances that results

in one or more indicia being associated with the account, then the Reporting Cyprus Financial Institution must treat the Account Holder as a resident for tax purposes of each Foreign Jurisdiction for which an indicium is identified, unless it elects to apply Section 11 subparagraph (f) and one of the exceptions in such subparagraph applies with respect to that account.

- (e) (i) If a “hold mail” instruction or “in-care-of” address is discovered in the electronic search and no other address and none of the other indicia listed in Section 11 (b)(i) through (v) are identified for the Account Holder, the Reporting Cyprus Financial Institution must, in the order most appropriate to the circumstances, apply the paper record search described in Section 13(b) or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder. If the paper search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting Financial Institution must report the account as an undocumented account.
  - (ii) If the self-certification indicates that the Account Holder is resident in a Foreign Jurisdiction, the Reporting Cyprus Financial Institution must make proper endeavours to obtain the Account Holder’s TIN, within the timeframes allowed for completion of the respective due diligence procedures.
- (f) Notwithstanding a finding of indicia under Section 11 (b), a Reporting Cyprus Financial Institution is not required to treat an Account Holder as a resident of a Foreign Jurisdiction if:
- i) the Account Holder information contains a current mailing or residence address in the Foreign Jurisdiction, one or more telephone numbers in the Reportable Jurisdiction or standing instructions (with respect to Financial Accounts other than Depository Accounts) to transfer funds to an account maintained in a Foreign Jurisdiction, the Reporting Cyprus Financial Institution obtains, or has previously reviewed and maintains a record of:
    - (I) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Foreign Jurisdiction; and
    - (II) Documentary Evidence establishing the Account Holder’s residence for tax purposes other than such Foreign Jurisdiction.
  - ii) the Account Holder information contains a currently effective power of attorney or signatory authority granted to a person with an address in the Foreign Jurisdiction, the Reporting Financial Institution obtains, or has previously reviewed and maintains a record of:

(I) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Foreign Jurisdiction; or

(II) Documentary Evidence establishing the Account Holder's residence for tax purposes other than such Foreign Jurisdiction.

**Due Diligence  
Procedures  
Insurance with  
redemption value  
and annuity contract**

12. (a) A Pre-existing Individual Account that is a Cash Value Insurance Contract or Annuity Contract is not required to be reviewed, identified or reported, provided the Reporting Cyprus Financial Institution is effectively prevented by law from selling such Contact to residents of a Reportable Jurisdiction.

(b) Any Pre-existing Individual Account that has been identified as a Reportable Account must be treated as a Reportable Account in all subsequent years, unless the Account Holder ceases to be a Reportable Person.

**Due Diligence  
Procedures for  
Preexisting High  
Value Individual  
Accounts**

13. The following enhanced review procedures apply with respect to High Value Accounts:

(a) Electronic Record Search: With respect to High Value Accounts, the Reporting Cyprus Financial Institution must review electronically searchable data maintained by the Reporting Financial Institution for any of the indicia described in Section 11 (b).

(b) Paper Record Search: If the Reporting Cyprus Financial Institution's electronically searchable databases include fields for, and capture all of the information described in Section 18 then a further paper record search is not required.

(c) If the electronic databases do not capture all of this information, then with respect to a High Value Account, the Reporting Cyprus Financial Institution must also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the Reporting Financial Institution within the last five years for any of the indicia described in Section 11 (b):

i) the most recent Documentary Evidence collected with respect to the account;

ii) the most recent account opening contract or documentation;

iii) the most recent documentation obtained by the Reporting Financial Institution pursuant to AML/KYC Procedures or for other regulatory purposes;

iv) any power of attorney or signature authority forms currently in effect;

and

v) any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.

- (d) Once a Reporting Cyprus Financial Institution applies the enhanced review procedures described in Section 13 to a High Value Account, the Reporting Cyprus Financial Institution is not required to re-apply such procedures, other than the relationship manager inquiry described in Section 15 to the same High Value Account in any subsequent year unless the account is undocumented where the Reporting Financial Institution should re-apply them annually until such account ceases to be undocumented.
- (e) If there is a change of circumstances with respect to a High Value Account that results in one or more indicia described in Section 11 (b) being associated with the account, then the Reporting Cyprus Financial Institution must treat the account as a Reportable Account with respect to each Foreign Jurisdiction for which an indicium is identified unless it elects to apply subparagraph 11(f) and one of the exceptions in such subparagraph applies with respect to that account.
- (f) A Reporting Cyprus Financial Institution must implement procedures to ensure that a relationship manager identifies any change in circumstances of an account. For example, if a relationship manager is notified that the Account Holder has a new mailing address in a Foreign Jurisdiction, the Reporting Financial Institution is required to treat the new address as a change in circumstances and, if it elects to apply subparagraph 11 (f), is required to obtain the appropriate documentation from the Account Holder.

**Result of indications findings**

14. A Reporting Cyprus Financial Institution is not required to perform the paper record search described in Section 13 (b) to the extent the Reporting Cyprus Financial Institution's electronically searchable information includes the following:
- (a) the Account Holder's residence status;
  - (b) the Account Holder's residence address and mailing address currently on file with the Reporting Financial Institution;
  - (c) the Account Holder's telephone number(s) currently on file, if any, with the Reporting Financial Institution;
  - (d) in the case of Financial Accounts other than Depository Accounts, whether there are standing instructions to transfer funds in the account to another account (including an account at another branch of the Reporting Financial Institution or another Financial Institution);
  - (e) whether there is a current "in-care-of" address or "hold mail" instruction

for the Account Holder; and

(f) whether there is any power of attorney or signatory authority for the account.

15. In addition to the electronic and paper record searches described above, the Reporting Cyprus Financial Institution must treat as a Reportable Account any High Value Account assigned to a relationship manager (including any Financial Accounts aggregated with that High Value Account) if the relationship manager has actual knowledge that the Account Holder is a Reportable Person.

16. (a) If none of the indicia listed in Section 11 (b) are discovered in the enhanced review of High Value Accounts described above, and the account is not identified as held by a resident for tax purposes in a Foreign Jurisdiction in Section 15 then further action is not required until there is a change in circumstances that results in one or more indicia being associated with the account.

(b) If any of the indicia listed in Section 11 (b) (i)-(v) are discovered in the enhanced review of High Value Accounts described above, or if there is a subsequent change in circumstances that results in one or more indicia being associated with the Account Holder as a resident for tax purposes of each Foreign Jurisdiction for which an indicium is identified unless it elects to apply Section 11 (f) and one of the exceptions in such Section applies with respect to that account.

(c) If a "hold mail" instruction or "in-care-of" address is discovered in the enhanced review of High Value Accounts described above, and no other address and none of the other indicia listed in Section 11(b) (i)-(v) are identified for the Account Holder, the Reporting Cyprus Financial Institution must obtain from such Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder.

(d) If the Reporting Financial Institution cannot obtain such self-certification or Documentary Evidence, it must report the account as an undocumented account.

(e) If the self-certification indicates that the Account Holder is resident in a Foreign Jurisdiction, the Reporting Cyprus Financial Institution must make proper endeavours to obtain the Account Holder's TIN, within the timeframes allowed for completion of the respective due diligence procedures.

**When a Preexisting Individual Account**

17. (a) If a Pre-existing Individual Account is not a High Value Account as of 31 December 2015, but becomes a High Value Account as of the last day

**becomes a High Value Account**

of a subsequent calendar year, the Reporting Cyprus Financial Institution must complete the enhanced review procedures for High Value Accounts set forth in Sections 13-16 with respect to such account within the calendar year following the year in which the account becomes a High Value Account.

(b) If based on this review such account is identified as a Reportable Account, the Reporting Financial Institution must report the required information about such account with respect to the year in which it is identified as a Reportable Account and subsequent years on an annual basis, unless the Account Holder ceases to be a Reportable Person.

**Due Diligence Procedures for New Individual Accounts**

18. The following due diligence procedures apply with respect to New Individual Accounts:

(a) With respect to New Individual Accounts, upon account opening, the Reporting Cyprus Financial Institution must obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KyC Procedures.

(b) If the self-certification establishes that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, the Reporting Cyprus Financial Institution must treat the account as a Reportable Account and the self-certification must also include the Account Holder's TIN with respect to such Reportable Jurisdiction and date of birth. If the self-certification indicates that the Account Holder is resident in a Foreign Jurisdiction, the Reporting Cyprus Financial Institution must make proper endeavours to obtain the Account Holder's TIN, within the timeframes allowed for completion of the respective due diligence procedures.

(c) If there is a change of circumstances with respect to a New Individual Account that causes the Reporting Cyprus Financial Institution to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Cyprus Financial Institution cannot rely on the original self-certification and must obtain a valid self-certification that establishes the residence(s) for tax purposes of the Account Holder.

19.A Reporting Cyprus Financial Institution must complete the due diligence procedures as prescribed in Sections 13-16, for identifying High Value Pre-existing individual accounts, by 31 December 2016 and the due diligence procedures as prescribed in Section 11 for low value Pre-existing Individual Accounts, by 31 December 2017.



20.A Reporting Cyprus Financial Institution can apply the residence address test with respect to all Pre-existing Lower Value Accounts or separately with respect to any clearly identified group of such accounts, according to the procedures set forth in Section 11, as per the information collected pursuant to the Reporting Cyprus Financial Institution's AML / KYC procedures.

**Due Diligence for  
Pre-existing Entity  
Accounts**

21. The following due diligence procedures apply to Pre-existing Entity Accounts:

(a) A Reporting Cyprus Financial Institution may exclude from its due diligence procedures pre-existing Entity Accounts with an aggregate account balance or value of US\$250,000 or less as of 31 December 2015. If at the end of a subsequent calendar year the aggregate account balance or value exceeds US\$250,000, the Financial Institution must apply the due diligence procedures to identify whether the account is a Reportable Account. If this option is not adopted, a Reporting Cyprus Financial Institution must apply the due diligence procedures to all Pre-existing Entity Accounts.

(b) Pre-existing Entity Accounts with:

(i) an aggregate account balance or value that exceeds US\$250,000 as of 31 December 2015, and

(ii) an aggregate account balance or value that does not exceed US\$250,000 as of 31 December 2015, but the aggregate account balance or value of which exceeds US\$250,000 as of the last day of any subsequent calendar year, following the year in which the aggregate account balance or value exceeds US\$250,000 is required to be reviewed in accordance with the procedures set forth in Sections 23 and 24

22. For Pre-existing Entity Accounts described in Sections 23 and 24, a Reporting Cyprus Financial Institution must apply the following review procedures:

(a) Determine the Residence of the Entity:

(i) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KyC Procedures) to determine the Account Holder's residence. For this purpose, information indicating the Account Holder's residence includes a place of incorporation or organisation, or an address in a Foreign Jurisdiction.

ii) If the information indicates that the Account Holder is a Reportable Person, the Reporting Financial Institution must treat the account as a Reportable Account unless it obtains a self-certification from the Account Holder, or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a

Reportable Person.

23. With respect to an Account Holder of a Pre-existing Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must identify whether the Account Holder is a Passive NFE with one or more Controlling Persons and determine the residence of such Controlling Persons by following the procedures set below:

- (a) For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must obtain a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity that is not a Participating Jurisdiction Financial Institution.
- (b) For the purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KyC Procedures.
- (c) For the purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on:
  - (i) information collected and maintained pursuant to AML/KyC Procedures in the case of a Pre-existing Entity Account held by one or more NFEs with an aggregate account balance or value that does not exceed US\$ 1 000 000; or
  - (ii) a self-certification from the Account Holder or such Controlling Person of the jurisdiction(s) in which the Controlling Person is resident for tax purposes.
  - (iii) If the self-certification indicates that the Account Holder is resident in a Foreign Jurisdiction, the Reporting Cyprus Financial Institution must make proper endeavours to obtain the Account Holder's TIN within the timeframes allowed for completion of the respective due diligence procedures
  - (iv) If a self- certification is not provided, the Reporting Financial Institution will establish such residence(s) by applying the procedures described in Sections 13-16.

**Due diligence  
procedures for  
Preexisting Entity  
Accounts**

24. The review of Pre-existing Entity Accounts with:
- (i) an aggregate account balance or value that exceeds US\$250.000 as of 31 December 2015, must be completed by 31 December, 2017 and
  - (ii) an aggregate account balance or value that does not exceed US\$250.000 as of December 2015, but the aggregate account balance or value of which exceeds US\$250.000 as of the last day of any subsequent

calendar year, must be completed within the calendar year following the year in which the aggregate account balance or value exceeds US\$250.000.

25. Reporting Cyprus Financial Institutions may use as Documentary Evidence any classification in the Reporting Financial Institution 's records with respect to the account holder that was determined based on a standardised industry coding system, that was recorded by the Reporting Financial Institution, consistent with its normal business practices for purposes of AML/KYC procedures or another regulatory purposes (other than tax purposes) and that was implemented by the Reporting Financial Institution prior to the date used to classify the Financial Account as a Pre-existing Account, provided that the Reporting Financial Institution doesn't know or has no reason to know that such classification is incorrect or unreliable.

26. Reporting Cyprus Financial Institutions may align the scope of the beneficiary(ies) of a Trust which is a passive Non Financial Entity treated as Controlling Person (s) of the trust, to be treated as Reportable Person(s) of a trust that is a Financial Institution.

**Due diligence  
procedures for New  
Entity Accounts**

27. The following due diligence procedures apply with respect to New Entity Accounts:

(a) Determine the residency of the Entity:

(i) Obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KyC Procedures.

(ii) If the self-certification indicates that the Account Holder is resident in a Foreign Jurisdiction, the Reporting Cyprus Financial Institution must make proper endeavours to obtain the Account Holder's TIN, within the timeframes allowed for completion of the respective due diligence procedures.

(iii) If the Entity certifies that it has no residence for tax purposes, the Reporting Cyprus Financial Institution may rely on the address of the principal office of the Entity to determine the residence of the Account Holder.

(iv) If the self-certification indicates that the Account Holder is resident in a Reportable Jurisdiction, the Reporting Cyprus Financial Institution must

treat the account as a Reportable Account unless it reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction.

(b) Determine the residence of the Controlling Person of a Passive NFE:

(i) For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must rely on a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity

(ii) For purposes of determining the Controlling Persons of an Account Holder, a Reporting Cyprus Financial Institution may rely on information collected and maintained pursuant to AML/KyC Procedures.

(iii) For purposes of determining the residence of a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on a self-certification from the Account Holder or such Controlling Person. If the self-certification indicates that the Account Holder of the Controlling Person is resident in a Foreign Jurisdiction, the Reporting Cyprus Financial Institution must make proper endeavours to obtain the Account Holder's TIN, within the timeframes allowed for completion of the respective due diligence procedures.

28. (1) A Reporting Financial Institution may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract or an Annuity Contract receiving a death benefit is not a Reportable Person and may treat such Financial Account as other than a Reportable Account unless the Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person.

(2) A Reporting Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract or an Annuity Contract is a Reportable Person if the information collected by the Reporting Financial Institution and associated with the beneficiary contains indicia of residence in a Foreign Jurisdiction as described in Section 11.

(3) If a Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person, the Reporting Financial Institution must follow the procedures in Section 11.

29. For purposes of determining the aggregate balance or value of Financial Accounts held by:

- (a) an individual, a Reporting Cyprus Financial Institution is required to aggregate all Financial Accounts maintained by the Reporting Cyprus Financial Institution, or by a Related Entity, but only to the extent that the Reporting Cyprus Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated,
- (b) Entity Accounts, a Reporting Cyprus Financial Institution is required to take into account all Financial Accounts that are maintained by the Reporting Cyprus Financial Institution, or by a Related Entity, but only to the extent that the Reporting Cyprus Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated,
- (c) a person to determine whether a Financial Account is a High Value Account, a Reporting Cyprus Financial Institution is also required, in the case of any Financial Accounts that a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts.

**Currency translation rule**

30. In determining the balance or value of an account denominated in a currency other than US dollars for the purposes of a relevant agreement, the Financial Institution shall translate the relevant dollar threshold amounts into the other currency by reference to the spot rate of exchange on the date for which the Financial Institution is determining the threshold amounts.

**Account balance with negative value**

31. In applying the account balance aggregation and currency rules for the purposes of the MCAA and the current decree, an account balance that has a negative value is to be reported as having an account balance or value equal to zero.

**Self-certifications**

32. A Reporting Financial Institution may not rely on a self-certification or Documentary Evidence if the Reporting Financial Institution knows or has reason to know that the self-certification or Documentary Evidence is incorrect or unreliable.

33. For the purposes of the MCAA and this decree, an account held by an individual as a partner of a partnership, is treated as an entity account and not as an individual account.

**Information to be exchanged**

34. A reporting financial institution must in respect of the first reporting year and every following calendar year to make a return setting out the information required to be reported under the MCAA in relation to every reportable account that is maintained by the institution at any time during the calendar year in question.

**Reporting Financial Institution's Reporting obligations to the Competent Authorities**

35. For the purposes of the information to be reported under the agreement-
- (a) Interest includes any amount that is charged as interest.
  - (b) References to the balance or value of an account including a nil balance or value, and
  - (c) Reference to paying an amount including crediting an amount.

**Electronic return system**

36. Obligations of the Financial Institutions to submit the reporting information to the Competent Authority include the following:

- (a) The return must be submitted electronically in accordance with section 30 before the end of 30 June of the year following the calendar year to which the return relates using an electronic return system;
- (b) The form and manner of an electronic return system is to be specified in specific or general directions issued by the Tax commissioner.
- (c) The return will be accepted only if it is valid against the form referred to in section (b) of this article.
- (d) Unless the contrary is proved:
  - (i) The use of an electronic return system is presumed to have resulted in the making of the return only if this has been successfully recorded as such by the relevant electronic system.
  - (ii) The time of making the return is presumed to be the time recorded as such by the relevant electronic system.
  - (iii) The person delivering the return is presumed to be the person identified as such by any relevant feature of the electronic return system.
- (e) The return made on behalf of a Reporting Cyprus Financial Institution is considered that has been made by that, unless the institution proves that the return was made without its consent.

**Non-resident reporting financial institutions in Cyprus**

37. (1) If a Reporting Cyprus Financial Institution is not resident in Cyprus, the obligations of the Reporting Cyprus Financial Institution under this decree is to be treated as if they were also the obligations of any Cyprus representative of the institution.

(2) For the purposes of this decree-

- (a) A Reporting Cyprus Financial institution which is a partnership is deemed to be resident in the Republic of Cyprus if the control and management of the business of the partnership as a Reporting Financial Institution takes place in the Republic of Cyprus, and
- (b) A Reporting Cyprus Financial Institution which is not a partnership is resident in Cyprus if it is resident in Cyprus for corporation or income tax

purposes.

**Completeness of information**

38. In order to examine whether the information submitted by a Reporting Cyprus Financial institution are correct and complete the competent authority may require the Reporting Cyprus financial institution to-

- (a) Submit to the Competent Authority within the timeframe specified by the Competent Authority the information the Competent Authority may justifiably require including copies of the relevant books, documents or other material, or any electronically available information, or
- (b) submit to the Competent Authority for review, on the time specified by the Competent Authority, all copies of books, documents, or other material, or any electronically available information that the Reporting Cyprus Financial Institution has at its disposal or under its control.

39. In the event where all the information required to be provided or to be reviewed by the Competent Authority, is outside the Republic of Cyprus, the Reporting Cyprus Financial institution must take all necessary measures to transfer the information to the Republic of Cyprus in writing within the deadline specified by the Competent Authority, in order to enable compliance of the Reporting Cyprus Financial Institution with the requirements of the Competent Authority under this Decree.

40. Provided that if the Reporting Cyprus Financial Institution takes all required measures to transfer the information to the Republic of Cyprus from countries that are not signatories to the MCAA but it is not possible to receive such due to the legal framework of the said countries, the requirements of the above paragraph are deemed to be met.

41. For the purpose of facilitating compliance with this Decree, the Competent Authority may issue guidelines from time to time and in the form deemed appropriate by the Competent authority.

42. This decree will have effect as from 1st January 2016.

Issued on

Minister of Finance