



ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT



**REPORT BY THE PILOT GROUP
ON
IMPROVING PROCEDURES FOR TAX RELIEF FOR CROSS-BORDER
INVESTORS**

**POSSIBLE IMPROVEMENTS TO PROCEDURES FOR TAX RELIEF FOR
CROSS-BORDER INVESTORS: IMPLEMENTATION PACKAGE**

**PUBLIC DISCUSSION DRAFT
8 FEBRUARY 2010 TO 31 AUGUST 2010**



CENTRE FOR TAX POLICY AND ADMINISTRATION

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INVESTORS: IMPLEMENTATION PACKAGE**

Public Discussion Draft

This document provides draft documentation (Implementation Package) for implementing a streamlined procedure for portfolio investors to claim reductions in withholding rates pursuant to tax treaties or domestic law in the source country. This release represents the continuation of work that was begun by the Informal Consultative Group on the Taxation of Collective Investment Vehicles and Procedures for Tax Relief for Cross-Border Investors (ICG). The ICG was established in 2006¹ by the OECD's Committee on Fiscal Affairs (CFA) to consider legal questions and administrative barriers that affect the ability of collective investment vehicles (CIVs) and other portfolio investors to effectively claim the benefits of tax treaties. On 12 January 2009, the OECD released two reports² prepared by the ICG in fulfilment of this mandate. The ICG's first Report, on the "Granting of Treaty Benefits with respect to the Income of Collective Investment Vehicles", addresses the legal and policy issues relating specifically to CIVs. A modified version of that Report was released by the OECD for public comment on 9 December 2009.

The report by the ICG on "Possible Improvements to Procedures for Tax Relief for Cross-Border Investors" discusses the procedural problems in claiming treaty benefits faced by portfolio investors generally and makes a number of recommendations on "best practices" regarding procedures for making and granting claims for treaty benefits for intermediated structures. The Implementation Package was developed by the Pilot Group on Improving Procedures for Tax Relief for Cross-Border Investors (Pilot Group) to provide standardised documentation that could be used by countries that wish to adopt the "best practices" described in the ICG's report. The Pilot Group includes representatives of the tax administrations of some OECD member countries as well as representatives from the financial services industry.

The Implementation Package provides a system for claiming treaty benefits that allows authorised

¹¹ Additional information on the launch of the ICG can be found on the OECD website at:
http://www.oecd.org/document/14/0,3343,en_2649_33747_37840206_1_1_1_1,00.html.

² The two reports prepared by the ICG can be found on the OECD website at:
http://www.oecd.org/document/27/0,3343,en_2649_33747_41962651_1_1_1_1,00.html.

intermediaries to make claims on behalf of portfolio investors on a “pooled” basis. One of the major benefits of such a system is that information regarding the beneficial owner of the income is maintained by the authorised intermediary that is nearest to the investor, rather than being passed up the chain of intermediaries. However, although a country may be willing to provide benefits on the basis of pooled information, it may want to maintain the ability to confirm that benefits that have been provided were in fact appropriate. For that reason, and in order to encourage compliance in the residence State, the Implementation Package also requires authorised intermediaries to report directly to source countries (*i.e.* not through the chain of intermediaries) investor-specific information regarding the beneficial owners of the income.

The ICG Report concluded that the most efficient way for the “best practices” to be implemented was through individual source countries entering into contracts with financial intermediaries. Accordingly, the Implementation Package consists of a self-contained set of all of the agreements and forms that would pass between a source country and the financial intermediaries and investors participating in the system. Some countries have indicated that they would implement the system by incorporating the procedures into their domestic law or regulations. It appears that the documents in the Implementation Package could be adapted relatively readily by a country pursuing such an administrative approach.

The Implementation Package is the work of the Pilot Group; neither the views expressed in the ICG reports nor the “best practices” reflected in the Implementation Package should be attributed to the OECD or any of its member states. The CFA will be deciding whether and how the work on improving procedures should be carried forward. Because the development of standardised documentation is useful only if the documentation is widely accepted by business and governments, the CFA has decided to invite comments from all interested parties before further consideration of the Implementation Package. Interested parties are therefore invited to send their comments on the Implementation Package **before 31 August 2010**. Comments should be sent electronically (in Word format) to:

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Director, CTPA
OECD
2, rue André Pascal
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Unless otherwise requested at the time of submission, comments submitted to the OECD in response to this invitation will be posted on the OECD website.

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INTRODUCTION TO THE IMPLEMENTATION PACKAGE

Development of the Implementation Package

In 2006, the Committee on Fiscal Affairs (“CFA”) and the Business and Industry Advisory Committee (“BIAC”) agreed to pursue work on improving the process by which portfolio investors may claim treaty benefits. To this end, an Informal Consultative Group (“ICG”) made up of government representatives and of experts from the business community was created. The initial two-year mandate of the ICG had two aspects: (1) legal and policy issues, primarily relating to the extent to which either collective investment vehicles (“CIVs”) or their investors are entitled to treaty benefits; and (2) procedural aspects regarding claims for treaty benefits when assets are held indirectly, whether through CIVs or through nominees and custodians.

Pursuant to that mandate, the ICG prepared two reports. The first report (“Granting of Treaty Benefits with respect to the Income of Collective Investment Vehicles”),³ which addresses the technical issues relating to treaty qualification of income earned by CIVs, made a series of concrete recommendations regarding the technical issues relating to the treaty eligibility of collective investment vehicles. This work is being pursued by Working Party No. 1 of the CFA, which deals with tax treaty issues.⁴ The ICG also concluded that the approaches recommended in that report, several of which would allow a CIV to make claims for benefits on behalf of its investors, would depend on the development of practical and reliable procedures for determining ownership of interests in CIVs and of securities held through other intermediated structures. The second report (“Possible Improvements to Procedures for Tax Relief for Cross-Border Investors”)⁵ discusses the procedural problems in claiming treaty benefits faced by portfolio investors more generally and included a number of recommendations regarding “best practices” regarding procedures for making and granting claims for treaty benefits for intermediated structures. The objective of the work on best practices is two-fold: (i) to develop systems that are as efficient as possible, in order to minimise administrative costs and allocate the costs to the appropriate parties; and (ii) to identify solutions that do not threaten, and that ideally enhance, countries’ abilities to ensure proper compliance with tax obligations, from the perspective of both source and residence countries.

The ICG recommended that further work be undertaken to promote substantial uniformity across source countries in terms of the format used for reporting to multiple source countries, procedures to be

³ Available at http://www.oecd.org/document/27/0,3343,en_2649_33747_41962651_1_1_1_1,00.html.

⁴ A modified version of the first ICG Report prepared by Working Party No. 1, including proposed additions to the Commentary on the OECD Model Tax Convention, was publicly released as a discussion draft on 9 December 2009; see [Report on “The Granting of Treaty Benefits with respect to the Income of Collective Investment Vehicles”](http://www.oecd.org/dataoecd/47/3/44211901.pdf), available at <http://www.oecd.org/dataoecd/47/3/44211901.pdf>.

⁵ Available at http://www.oecd.org/document/27/0,3343,en_2649_33747_41962651_1_1_1_1,00.html.

followed by the intermediary to confirm the identity and treaty eligibility of their clients, and other compliance procedures, including liability issues. The basis for the proposed work was to develop these documents on the basis of the “best practices” as recommended in the second ICG Report, while taking account of any difficulties concerning the feasibility of the proposals in the report. In January 2009, the CFA approved the formation of a Pilot Group made up of government delegates and business representatives to pursue this work.

This Implementation Package was produced by the Pilot Group in fulfilment of the mandate from the CFA relating to the second ICG Report. This Introduction is intended to provide an overview of the Implementation Package and to explain the context and the function of the various documents included in it. In addition, this Introduction discusses some additional points that arose during the development of the Implementation Package and that might prove useful to governments considering the adoption of this system and to intermediaries deciding whether to participate in the system.

Outline of the Streamlined System for Claiming Reduced Withholding

The system produced by the adoption of the Implementation Package would allow “authorised intermediaries” to claim treaty benefits on a “pooled basis” on behalf of their customers that are portfolio investors. One of the major benefits to intermediaries of such a system is that information regarding the beneficial owner of the income may be maintained by the intermediary with the most direct account relationship with the beneficial owner, rather than being passed up the chain of intermediaries. Accordingly, intermediaries in the chain can facilitate treaty claims for their customers, without passing proprietary customer information to potential competitors (*i.e.* the other intermediaries). Investors would be able to indicate their entitlement to treaty benefits by providing a standardised investor self-declaration to the intermediary with respect to which they have a customer relationship, without procuring a certificate of residence. Improving automatic exchange of information could replace any lingering source country requirements for certificates of residence by providing a more robust process for checking treaty eligibility, thereby reducing administrative costs for residence countries, investors and intermediaries. Accordingly, the system also eliminates the time and expense of handling large amounts of paper. By reducing inefficiencies, the system would make it more likely that investors will in fact receive treaty benefits in a timely manner.

The Implementation Package requires an intermediary that wants to claim benefits on a pooled basis to provide to the source country tax administrators (on an annual basis, not at the time of payment) investor-specific information regarding the beneficial owners of the income. The information to be provided to the source country would include details of the income received, name and address of the beneficial owner, and, where the investor’s residence country issues taxpayer identification numbers, that TIN, or such other identifying information as the residence country uses to identify individual taxpayers. Once that information is received by the source country government, it is expected that it will be provided to the government of the investor’s residence country through automatic exchange of information programs. Ideally, the latter country, to the extent it receives the information in a timely fashion would inform the source country reasonably soon thereafter if the investor who purports to be a resident thereof in fact is not. The Implementation Package could provide a robust process by which both source and residence countries could determine whether income for which treaty benefits are being claimed is in fact eligible for such benefits and also whether it is being taken into account by the investor when it prepares its residence country tax returns. Countries that have received such investor-specific information would have the tools necessary to focus their further inquiries on the specific taxpayers that may present issues. Compliance by the authorised intermediaries with their obligations under their arrangement with the source country would be verified by an independent reviewer, in accordance with agreed procedures.

The source country would, of course, control which intermediaries could act as authorised

intermediaries. A financial intermediary wishing to act as an authorised intermediary would make an application to the source country, which would then approve or deny it. An intermediary would have to represent that it is subject to know-your-customer rules that are consistent with specified anti-money-laundering principles (though not necessarily identical to those principles) and an authorised intermediary can only operate through offices that are subject to such rules and that are located in countries that have been approved by the source country. An authorised intermediary would also have to agree to be subject to an independent review of its compliance with its obligations to the source country. An intermediary that does not become an authorised intermediary would be allowed to make claims for benefits through an authorised intermediary, but would have to provide customer information to the authorised intermediary in order to do so. Moreover, the source country could, in certain circumstances, prohibit an intermediary from making claims where the intermediary's past conduct has demonstrated that information provided by the intermediary is unreliable.

Although the primary means by which reduced withholding would be claimed would be through relief at source, situations will remain in which an investor will be subject to full withholding at the time of payment and will need to make a claim for refund. The Implementation Package therefore also provides that the authorised intermediaries may make claims on behalf of their account holders on a streamlined basis. Governments would endeavour to process the claim and make payment within six months of receipt of the request for refund, provided that all necessary information from the account holder and the authorised intermediary has been received.

The ICG Report notes that, although it is possible for a source country to adopt some, but not all, of the best practices, in many cases the practices are inter-related. This is especially true with respect to the Implementation Package. For example, certain procedures, such as the procedures for independent review, are appropriate and work correctly only against the backdrop of the safeguards provided by information reporting to the source country. Accordingly, while there are some modifications that are relatively easy to make, countries should be cautious in picking and choosing pieces of the Implementation Package, particularly if intending to delete a requirement. One exception to this general rule relates to the model mutual agreements regarding the treatment of collective investment vehicles. These model mutual agreements provide procedures for determining the ownership of collective investment vehicles that are compatible with, but not dependent on, adoption of the procedures set out in the Implementation Package. That is, a source country could adopt the relief at source system provided in the Implementation Package without entering into any mutual agreements relating to the treatment of collective investment vehicles (although questions could arise in that case about the proper treatment of collective investment vehicles, as discussed below). Conversely, a source country could enter into mutual agreements, or new treaties that utilise the procedures in the model mutual agreements, without implementing the relief at source system first.

Contents of the Implementation Package

The ICG Report concluded that the most efficient way for the "best practices" to be implemented was through individual source countries entering into contracts with financial intermediaries. Accordingly, the Implementation Package consists of a self-contained set of all of the agreements and forms that would pass between a source country and the financial intermediaries and investors participating in the system.

The following documents make up the Implementation Package:

- An application to be completed by a financial intermediary requesting authorisation from a particular source country to act as an authorised intermediary and providing certain information about the financial intermediary that the source country government will need

in order to decide whether to enter into an agreement with the financial intermediary;

- The contract between the source country and the financial intermediary;
- Agreed procedures that the authorised intermediary would follow in implementing the system, including rules on the extent of the authorised intermediary's liability for any under-withholding of tax;
- The forms to be used under the system, including:
 - Separate investor self-declarations for individuals and for entities;
 - Intermediary declarations to be provided by authorised intermediaries, which may pass on pooled information, and by other intermediaries, which can make claims only by passing on their customers' investor self-declarations;
 - Forms to be used for annual information reporting with respect to investors and with respect to other authorised intermediaries;
 - A year-end summary to be filed at the same time as the annual information reports, aggregating the information contained in those reports;
 - Forms to be used for claiming refunds when it has not been possible to claim relief at source and for notifying the authorised intermediary that a refund has been made (or has been denied);
- A description of the procedures to be followed by the independent reviewer;
- Additional procedures to be followed by an authorised intermediary that has also taken on primary withholding responsibilities; and
- Model mutual agreements providing procedures applicable to CIVs.

The documents are drafted so as to minimise the amount of material that will be customised from country to country. Accordingly, the agreement between the authorised intermediary and the source country government is relatively short, containing primarily that information that is specific to individual authorised intermediaries (such as their mailing addresses, name of independent reviewer, etc.) or to specific source countries (such as rules regarding the geographic scope of the arrangements, statutes of limitations, etc.). The longest document, on procedures to be followed by an authorised intermediary, should be the same from source country to source country, except for the insertion of the name of the relevant source country. To that end, the procedures deal with the simplest case, with options that create complications (*e.g.*, taking on primary withholding responsibility) found in annexes and appendices.

It is acceptable and expected for intermediaries to conform the formatting and presentation of the forms to other documents presented to their customers, particularly other documents completed as part of an account-opening package, as long as all of the information in the form is included in the same order.

Adoption of the System and Potential Effects on Domestic Law

While the documents in the Implementation Package are self-contained, in many circumstances the source country will need to modify its domestic law in order to adopt the system. Some countries have

indicated that they would have to change their domestic law in order to allow the contractual agreements contemplated by the Implementation Package. Others have indicated that they would implement the system by incorporating the procedures into their domestic law or regulations. In that case, there would not be a contract between the source country and the financial intermediary but financial intermediaries would apply to the source country and would be approved to act as authorised intermediaries. It appears that the documents in the Implementation Package could be adapted relatively readily by a country pursuing such an administrative approach. In that case, the application to become an authorised intermediary likely would be quite similar to the one provided in the Implementation Package. The other concepts addressed by the Implementation Package, including those in the Agreement, would be reflected in the source country's domestic law or regulation.

The Implementation Package provides that an authorised intermediary will be liable for under-withholding if that under-withholding relates to an investor who has an account directly with the authorised intermediary, or if the investor holds securities through one or more intermediaries that are not authorised intermediaries. In these cases, the authorised intermediary will be liable even if it has complied with the procedures set out in the Implementation Package. Those procedures are intended to reduce the risk of under-withholding, but not the authorised intermediary's liability, as described above, if such under-withholding in fact occurs.

Some countries may be content with a contractual claim against the authorised intermediary, particularly if the domestic law already provides for a claim for under-withholding against a domestic withholding agent and the investor. Other countries believe that, for the approach to operate as intended, they will need to change their domestic law so that each intermediary in the chain would be potentially liable for under-withholding. Each source country therefore will need to consider how best to achieve that result in the context of its own legal framework. For example, some countries may need to provide that the annual reporting forms constitute a "tax return" under the source country's domestic law.

In considering how to implement these procedures, countries will want to consider the effect that the introduction of these procedures will have with respect to their domestic withholding agents and to coordinate that treatment with the treatment of any authorised intermediary that has taken on primary withholding responsibilities. For example, the Implementation Package provides that an authorised intermediary may be liable for under-withholding even if it has complied with the procedures set out therein. At least in part, this "strict liability" standard recognises that the intermediary that has the most direct account relationship with the investor has access to information about the investor beyond what is provided on the investor self-declaration. A country may decide, however, that a domestic withholding agent, such as the company paying the dividend, should not be held strictly liable for any under-withholding. Such a company may be reluctant to take on the risk of under-withholding because it must rely on information provided by others, including many with which it has no relationship, contractual or otherwise. Unless this problem is addressed, the company may be reluctant to participate in the relief at source system, and may insist on withholding tax at the statutory rate, forcing investors to request refunds and undermining the system. Various approaches have evolved to address this problem. In some countries, it is common for the issuer of securities to require indemnification against its potential liability; providing such indemnifications may require adjustments to current contractual relationships, or the creation of new ones. Another approach is taken by countries that do not hold a withholding agent or other intermediary liable (or will not collect against it, even if it is still technically liable for the tax) if the withholding agent or intermediary has taken "reasonable measures" to collect the correct tax or has operated in "good faith". A "reasonable measures" or "good faith" standard may be left to circumstances or to requirements spelled out in detail by the source country (for example, requiring the domestic withholding agent to collect the identification numbers assigned to authorised intermediaries that have received the dividend and to check them against a list of those intermediaries that have been designated by the source country as ineligible to make claims for relief at source on behalf of their customers). If such a

standard is adopted, it should be applied in a non-discriminatory manner, so that any difference in treatment between a domestic withholding agent and a foreign intermediary is based on differences in their circumstances (such as their relationship to the investor or access to information) rather than the mere fact of their residence in different countries.

Under the Implementation Package, there may be circumstances in which an upper-tier withholding agent is required to pay a tax that has been under-withheld and which the source country tax authorities have been unable to collect from the authorised intermediary that is nearest to the investor. In that case, if the government simply identified for the upper-tier withholding agent the investor with respect to which there was under-withholding, or even the investor and the authorised intermediary that reported the payment to the source country, the information might not be helpful to an upper-tier entity seeking to enforce an indemnification. The entity would need to have information regarding the payment that it made that eventually was passed on through the chain to that authorised intermediary on behalf of that investor. The more information regarding the chain of intermediaries that the government can provide, consistent with its rules regarding confidentiality of taxpayer information, the more likely it is that the indemnifications will in fact result in the costs of under-withholding being imposed on the person best in a position to prevent under-withholding in the future.

Treatment of Certain Entities, Including Fiscally Transparent Entities

The Implementation Package does not address questions regarding the substantive treaty entitlement of various entities. Such treatment is provided in domestic law and under treaties, including through competent authority agreements. Once the correct treatment – whether the entity or its investors (owners, partners or beneficiaries) are entitled to treaty benefits – is established, the application of the Implementation Package should be straightforward. For example, in some treaties, a fiscally transparent entity is treated as a resident of the State in which it is established to the extent that the income received by the entity is treated as the income of residents of that State. Such an entity would complete an investor self-declaration, setting out the percentage of its income that qualifies for benefits. In other treaties, income received by a fiscally transparent entity is treated as received directly by the entity's partners or beneficiaries. In that case, each partner or beneficiary would complete an investor self-declaration. Such a fiscally transparent entity is treated as an intermediary for purposes of the Implementation Package. It is likely that, in most cases, the fiscally transparent entity would not become an authorised intermediary, so the fiscally transparent entity would provide to an upstream payor the same intermediary declaration as other intermediaries that are not authorised intermediaries, along with the investor self-declarations completed by the entity's partners or beneficiaries.

For the system to work properly, therefore, there should be consistency in the way that a source country and intermediaries view specific entities for purposes of applying withholding taxes. This need for consistency extends beyond the fiscally transparent entities described in the preceding paragraph to other types of entities whose entitlement to treaty benefits has been subject to question. In the vast majority of cases, there is little question about investors' entitlement to treaty benefits. However, issues do arise with respect to particular types of entities. Although it is not possible or desirable to expend the resources necessary to provide guidance with respect to all types of entities, a source country that intends to adopt the system embodied in the Implementation Package may want to provide guidance in those areas where there has been the greatest uncertainty. For example, business has identified the issue of treaty entitlement of pension funds and charities as one where guidance would be helpful. The granting of treaty benefits with respect to the income of collective investment vehicles also has raised questions that in some cases could be addressed by a source country, although in many cases a bilateral approach may be necessary. Accordingly, the system will function most efficiently if governments provide guidance regarding the treatment of such entities in a timely fashion, and if intermediaries regularly request such guidance where

the lack of guidance otherwise might result in inconsistent treatment.

Communication and Co-operation

Both a source country that adopts the system and Intermediaries, including authorised intermediaries, will have a common interest in ensuring that uncertainties in administering the system are minimised. Each wants to ensure that the correct rate is applied to a payment.

Achieving this goal will require co-operation and may also benefit from new ways of organising and presenting information. The preceding section described substantive guidance that the source country may want to provide, and that authorised intermediaries may want to request, with respect to certain entities. If such information is difficult to find, there is a risk that the guidance will not be applied consistently by investors and intermediaries. Accordingly, the source country has an interest in making the information publicly available in an easily accessible manner.

A source country that is in the process of adopting this system may want to compile guidance that it has previously issued, whether in the form of public guidance or private rulings, with respect to issues of treaty entitlement and interpretation. Such a compilation could also address other areas identified by business as generating uncertainty with respect to the law or practice of the source country that are relevant to the operation of the system. Some source countries with similar systems have developed web pages that deal only with that system, making it easy for intermediaries to keep up with relevant developments. Such a web page could, for example, include not only the interpretive guidance described above, but other information that would be relevant to the operation of the system, such as the list of “Eligible Countries” (*i.e.* countries in which an intermediary’s operations are covered by the authorised intermediary arrangement) or the identity of authorised intermediaries and of “Excluded Intermediaries” (*i.e.* intermediaries that have been designated by the source country as ineligible to make claims for relief at source on behalf of their customers). Many governments and other entities maintain lists of subscribers that receive e-mail alerts when new items are posted on a specific web page; this type of e-mail alert system would be particularly attractive for information that a source country wishes to disseminate to all authorised intermediaries rapidly, such as the designation of an Excluded Intermediary.

The level of information provided by a source country can be expected to affect the willingness of Intermediaries to participate in the system by reducing uncertainty and therefore their potential risk. This consideration is particularly relevant if the source country is moving away from a refund system, where the intermediary generally is not held liable if it processes a claim for an investor that turns out not to be entitled to relief, to this relief at source system, where the intermediary could be held liable if its interpretation of the law turns out to be incorrect.

Further Development of the Implementation Package

While the Implementation Package provides a framework for the system of relief at source, there are a number of details and matters of a technical nature that will need to be addressed before it can be adopted. For example, it is expected that standard instructions will be developed for the various forms that are provided in Annex 1, which instructions would be based on the experience of governments and business in implementing similar systems and, of course, as this system is implemented.

Significant work also needs to take place with respect to a number of technology issues. For example, the system assumes a certain level of automatic exchange of information between the tax authorities of the source country and of the residence country. Countries may want to assure themselves that they can achieve that level of exchange before adopting the system. A related issue is the format and communications channel for information to be reported by authorised intermediaries to the source countries. In order to achieve a level of standardisation that will make the system economically feasible

for intermediaries, government and business will need to work together to develop information technology systems that will provide a seamless process for information that is reported by the authorised intermediaries to be exchanged with the residence countries and used by the residence countries in their computerised matching programs. Developing standardised electronic versions of the relevant forms that are included in Annex 1 should be part of that process.

In addition, the introduction of any new system requires governments to consider how they will review taxpayers' compliance with the system. While the Implementation Package addresses compliance issues, and includes reporting forms that would be used in that regard, these are necessarily based on a few countries' experience with similar systems. Because the system that would be adopted through the Implementation Package is not identical to any existing system, it is likely that both governments and business will want to continue to review these procedures during the process of implementation to ensure that they provide governments with the information that they need to review intermediaries' compliance without being more burdensome than is necessary. In that regard, business notes that it is not clear that all financial institutions that might wish to become authorised intermediaries will be able to provide all of the information that would be included in the year-end summary. It is expected that further work would address that issue directly. Similarly, more work may be needed to refine the details of the independent review procedures, particularly to specify how the review should proceed when a single review is being carried out for the benefit of multiple source countries.

APPLICATION BY [FINANCIAL INTERMEDIARY] TO [THE COMPETENT AUTHORITY OF THE SOURCE COUNTRY] FOR AUTHORISATION TO ACT AS AN AUTHORISED INTERMEDIARY WITH RESPECT TO INCOME ARISING IN [THE SOURCE COUNTRY]

Name of Applicant (the “Applicant”):

Address of Applicant:

Taxpayer Identification Number (if any) in [Country] (“the Source Country”):

I. Request for Authorisation.

The Applicant hereby requests that [the competent authority of Country] (the “Competent Authority”) enter into an agreement in the form found at [cross-reference to relevant guidance in Source Country] (the “Agreement”) authorising the Applicant and each of the Affiliates, if any, included in Annex A to this Application to act as an Authorised Intermediary with respect to certain income arising in the Source Country. Terms used in this application have the meaning set forth in the Instructions to this Application.

II. Representations.

The Applicant represents that it, and each of the Affiliates, if any, included in Annex A to this Application is a resident for tax purposes of the Source Country or is a resident for tax purposes of one of the Eligible Countries (or, in the case of a Fiscally Transparent Entity, is established in the Source Country or an Eligible Country);

The Applicant represents that it, and each of the Affiliates, if any, included in Annex A, is an Intermediary;

The Applicant represents that it, and each of the Affiliates, if any, included in Annex A, is subject to Know Your Customer Rules with respect to each of the Offices through which it will act in its capacity as an Authorised Intermediary and, if different, the jurisdiction in which it is established (except to the extent that the Applicant or an Affiliate is an Intermediary only by reason of being a Fiscally Transparent Entity);

The Applicant represents that it has reviewed the Procedures regarding the Operation of a Financial Intermediary as an Authorised Intermediary found at [cross-reference to relevant guidance in the Source Country] and that it and each of the Affiliates, if any, included in Annex A has the authority and adequate resources to undertake and perform the responsibilities described therein. Audited financial statements for the Applicant and the Affiliates included in Annex A are attached;

The AI represents that none of the laws (including any contracts) to which it is subject prohibits disclosure of the identity of any Account Holder or account information to the AI’s Independent Reviewer or to any relevant tax authorities to the extent that such disclosure (1) is foreseeably relevant or necessary

to the determination of any Account Holder's entitlement to any benefits claimed in accordance with these Procedures; or (2) is foreseeably relevant for any other purpose contemplated by the Agreement, including determining the extent to which the AI has complied with the Agreement.

III. Identification of Covered Payments.

The Applicant wishes to modify the definition of Covered Payments that otherwise would apply under the Procedures to include:

and/or exclude:

IV. Definition of Eligible Countries.

The Applicant wishes to modify the definition of Eligible Countries to include:

Information supporting the request for the addition of [the jurisdictions requested to be added to the list] is attached.

V. Primary Withholding Responsibilities.

The Applicant and each of the Affiliates, if any, included in Annex A does/does not intend to act as a Withholding Agent.

VI. Independent Reviewer.

The Applicant proposes that the Independent Reviewer shall be:

Name: _____
Contact: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Telephone: _____ Fax: _____ e-mail: _____

VII. Address for Notices:

The Applicant's address for receipt of notices shall be

Contact: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Telephone: _____ Fax: _____ e-mail: _____

VIII. Request for Authorised Intermediary Identification Number.

The Applicant hereby requests that the Competent Authority issue an Authorised Intermediary Identification Number for the Applicant and each of the Affiliates, if any, included in Annex A.

On behalf of the Applicant, I declare that all statements made in this application are correct and complete.

By:

Signature

Date

Name of Signatory in block capitals or type

Title of Signatory

[Additional signature blocks, if necessary, for affiliates]

INSTRUCTIONS

For purposes of the Application, the following definitions shall apply:

“Affiliate” means any person that controls the Applicant, that is controlled by the Applicant, or that is under common control with the Applicant;

“Eligible Countries” means: [list of countries and jurisdictions identified by the Source Country, taking into account factors including whether the Source Country has with that country or jurisdiction an effective exchange of information relationship, whether that country or jurisdiction has in effect adequate Know Your Customer Rules, whether the country or jurisdiction is a member of a multilateral organisation or community or grouping of countries that adopt common standards and approaches to issues of tax compliance, including mutual assistance (such as the Member States of the European Union or Organisation for Economic Co-Operation and Development)];

“Fiscally Transparent Entity” means an entity or arrangement with respect to which, under applicable tax treaties or the domestic law of the Source Country, the partners, beneficiaries or similar persons are treated for tax purposes as the owners of the income received by the entity or arrangement;

“Intermediary” means any person that acts on behalf of another person such as a custodian, broker, nominee or other agent, including a Fiscally Transparent Entity;

“Know Your Customer Rules” means customer due diligence and record-keeping requirements relating to the opening and maintenance of accounts with financial services firms that are based on the relevant principles established by the Financial Action Task Force, including in particular Recommendations 4-11 of the 40 Recommendations relating to measures to prevent money laundering and terrorist financing and the 9 Special Recommendations relating to terrorist financing as they relate to financial institutions (found at www.fatf-gafi.org); and

“Offices” means the branches, agencies, representative offices and other establishments through which the Applicant and each of the Affiliates that are listed in Annex A conduct their business.

ANNEX A:

**AFFILIATES OF THE APPLICANT REQUESTING AUTHORISATION TO ACT AS
AUTHORISED INTERMEDIARIES**

AGREEMENT AUTHORISING FINANCIAL INTERMEDIARY TO ACT AS AN AUTHORISED INTERMEDIARY WITH RESPECT TO INCOME ARISING IN [COUNTRY]

WHEREAS, [Financial Intermediary] (the “Applicant”) has submitted an application to become an Authorised Intermediary with respect to certain types of income arising in [Country] (the “Source Country”);

WHEREAS, the Applicant and the Affiliates of the Applicant designated in Appendix A to this Agreement that are signatories to this Agreement (individually and collectively referred to as “the AI”), and [the competent authority of the Source Country] (the “Competent Authority”) desire to enter into an agreement (this “Agreement”) to establish the AI’s rights and obligations regarding documentation, information reporting, and compliance with respect to certain types of income arising in the Source Country;

WHEREAS, the AI and the Competent Authority (the “Parties”) have accepted the procedures designated in Appendix B to this Agreement (the “Procedures”), as such Procedures may be modified by this Agreement;

NOW, THEREFORE, in consideration of the following terms, representations, and conditions, the Parties agree as follows:

1. The AI agrees to undertake the responsibilities and assume the liabilities of an Authorised Intermediary as set out in the Procedures, as they may be modified by this Agreement, and the Competent Authority agrees to allow the AI to act as an Authorised Intermediary in accordance with, and subject to, those Procedures.
2. The Parties agree that the definition of Covered Payment set forth in the Procedures shall be modified to include the following types of income:

[];

and to exclude:

[].

3. The Parties agree that the definition of Reportable Payment set forth in the Procedures shall be modified to include the following types of income:

[];

and to exclude:

[].

4. The Parties agree that the term “Eligible Countries” shall mean: [list of countries and jurisdictions identified by the Source Country, taking into account factors including whether the Source Country has with that country or jurisdiction an effective exchange of information relationship, whether that country or jurisdiction has in effect adequate Know Your Customer Rules, and whether the country or jurisdiction is a member of a multilateral organisation or community or grouping of countries that adopt common standards and approaches to issues of tax compliance, including mutual assistance (such as the Member States of the European Union or Organisation for Economic Co-Operation and Development)];
5. The Parties agree that the AI will/will not undertake primary withholding responsibilities. [In undertaking such primary withholding responsibilities, the AI agrees to comply with the additional procedures set out in Appendix C to this Agreement.]
6. For purposes of providing Tax Rate Information to a Payor in accordance with Paragraph IV.A of the Procedures, the rate of withholding that will apply to:
 - (a) a Covered Payment in respect of a resident of the Source Country with respect to which the AI has received a valid Investor Self-Declaration, either directly from the AI’s own Direct Account Holder that is an Investor, or indirectly through a Contractual Intermediary, is/are [the rate(s) provided in the Source Country’s domestic law at the time this Agreement is entered into for residents of the Source Country with respect to each relevant income type], as such rate may be modified by [reference to relevant provision(s) of domestic law];
 - (b) a Covered Payment in respect of a resident of the Source Country with respect to which the AI has not received a valid Investor Self-Declaration either directly from the AI’s own Direct Account Holder that is an Investor, or indirectly through a Contractual Intermediary is/are [the back-up rate(s) provided in the Source Country’s domestic law at the time this Agreement is entered into for the relevant category or categories of residents of the Source Country with respect to each relevant income type, if applicable], as such rate may be modified by [reference to relevant provision(s) of domestic law];
 - (c) a Covered Payment in respect of a non-resident of the Source Country with respect to which the AI has received a valid Investor Self-Declaration, either directly from the AI’s own Direct Account Holder that is an Investor, or indirectly through a Contractual Intermediary, is/are the [lower of the] rate(s) provided in the relevant tax treaty with respect to income of that type, but excluding lower rates applicable to companies receiving dividends from companies in which they own a specified percentage of the capital or voting rights (or some combination thereof)[, or in [cross-reference to relevant provisions of domestic law providing a reduction or an exemption from withholding tax]];
 - (d) a Covered Payment with respect to which the AI has assumed primary withholding responsibilities is zero;

(e) a Covered Payment with respect to which the AI has received from an Authorised Intermediary a valid Intermediary Declaration and Tax Rate Information is/are the rates specified in that Tax Rate Information; and

(f) all other Covered Payments, is/are [standard rate(s) for the relevant income types provided under Source Country law at the time this Agreement is entered into for non-resident investors], as such rate may be modified by [reference to relevant provision(s) of domestic law].

7. The Parties agree that the period for retention of Tax Rate Information for purposes of Paragraph IV.C of the Procedures shall be [description of applicable document retention period in the Source Country, including starting date] and for retention of documentation for purposes of Paragraph V.E of the Procedures shall be [description of applicable document retention period in the Source Country, including starting date].
8. The Parties agree that claims made under paragraph VI.A.3 of the Procedures will be processed only if they are filed by [description of applicable statute of limitations in the Source Country, including starting date].
9. The Parties agree that the applicable period for purposes of Paragraph II.B (regarding claims against the AI for under-withholding) shall be [description of applicable statute of limitations in the Source Country for an assessment by the Competent Authority with respect to under-withholding on an Investor, including starting date].
10. The Parties agree that, unless changed in accordance with Paragraph VIII.B.6 of the Procedures, the Independent Reviewer shall be: []

The AI represents that there are no legal prohibitions that prevent the Independent Reviewer from examining any information relevant to the completion of the Independent Reviewer's Report and that there are no legal prohibitions that prevent the Competent Authority from communicating directly with the Independent Reviewer.

11. Notices shall be directed as follows:

To the Competent Authority:

Contact: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Telephone: _____ Fax: _____ e-mail: _____

To the AI:

Contact: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____

Telephone: _____ Fax: _____ e-mail: _____

To the Independent Reviewer:

Contact: _____

Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Telephone: _____ Fax: _____ e-mail: _____

12. The Agreement shall be governed by the laws of the Source Country. Any legal action brought under this Agreement shall be brought only in [appropriate court of the Source Country]. For this purpose, the AI agrees to submit to the jurisdiction of such court.
13. This Agreement shall enter into effect on [] and shall remain in effect indefinitely unless terminated by either Party in accordance with Section IX of the Procedures.
14. The AI's application to become an Authorised Intermediary and all the Appendices to this Agreement and Annexes to the Procedures are hereby incorporated into and made an integral part of this Agreement, which shall constitute the entire agreement between the Parties.
15. Terms used in this Agreement shall have the meaning given to them in the Procedures, except as explicitly modified by this Agreement.
16. The Applicant's Authorised Intermediary Identification Number shall be [] and those of its Affiliates designated in Appendix A to this Agreement shall be as set out therein.
17. The AI hereby gives permission to the Competent Authority to disclose its status as an Authorised Intermediary or to make such information publicly available and, if the Competent Authority designates the Applicant or any Affiliate designated in Appendix A as an Excluded Intermediary, to disclose such Excluded Intermediary's status as such to any person or to make such information publicly available.

THIS AGREEMENT is made in duplicate by and between the Applicant, any Affiliates of the Applicant designated in Appendix A to this Agreement, and the Competent Authority by:

On behalf of the Competent Authority:

Signature

Date

Name of Signatory in block capitals or type

Title of Signatory

On behalf of the Applicant:

Signature

Date

Name of Signatory in block capitals or type

Title of Signatory

[Additional signature blocks, if necessary, for affiliates]

APPENDIX A:

**AFFILIATES OF THE APPLICANT AUTHORISED TO ACT AS AUTHORISED
INTERMEDIARIES**

The following Affiliates of the Applicant are authorised to act as Authorised Intermediaries with respect to Covered Payments arising in the Source Country, and their AIINs are as indicated:

APPENDIX B:

PROCEDURES REGARDING THE OPERATION OF A FINANCIAL INTERMEDIARY AS AN AUTHORISED INTERMEDIARY

I. PURPOSE

This document provides guidance regarding the procedures (the “Procedures”) to be followed by a financial intermediary in fulfilling its obligations under an agreement (the “Agreement”), to which these Procedures are appended as Appendix B, with the taxing authorities of [Country] (the “Source Country”) to be an Authorised Intermediary with respect to certain payments arising in the Source Country. These Procedures form part of the Agreement and are subject to the specific undertakings contained therein.

II. OBLIGATIONS OF THE AUTHORISED INTERMEDIARY

(A) In General. The AI shall:

1. determine the correct withholding rate to be applied to its Account Holders on the basis of the documentation requirements of Section V;
2. make claims for reduced withholding rates on behalf of its Account Holders by providing Tax Rate Information, as described in Section IV, to Payors of Covered Payments;
3. collect Tax Rate Information provided by other Authorised Intermediaries in accordance with paragraph IV.D.1;
4. report to the Competent Authority on an annual basis information regarding Reportable Payments paid by the AI to Account Holders, in the manner described in Section VII;
5. retain records of such Tax Rate Information and other relevant declarations and notifications, including Investor Self-Declarations, in the manner described in Paragraphs IV.C and V.E and, upon request, make all such records available for inspection by the Competent Authority or Independent Reviewer as provided for in Section VIII; and
6. use its best efforts to operate these Procedures in accordance with their terms.

(B) Liability of the AI. The AI acknowledges that it is liable for the payment of any under-withholding of tax that occurs with respect to a Covered Payment received on behalf of an Investor, whether a Direct Account Holder or an Indirect Account Holder, unless that Investor is also an Account Holder with respect to another Authorised Intermediary that has received the Covered Payment, directly or indirectly, through the AI. For these purposes, “under-withholding” does not include the failure to deposit

(by any person other than the AI) amounts that have been withheld. This paragraph shall apply notwithstanding that the AI may have complied with these Procedures with respect to the Covered Payments to which such under-withholding relates. Claims by the Competent Authority under this paragraph shall be barred, however, if they are made after the period set out in Paragraph 9 of the Agreement has run.

(C) **Scope of the Agreement.** The Agreement shall apply to each Office of the AI located in the Eligible Countries, but only to the extent that such an Office receives a Covered Payment with respect to an account that the AI has designated as an account for which it is acting in its capacity as an Authorised Intermediary, in accordance with Paragraph IV.A of these Procedures.

III. DEFINITIONS.

For purposes of these Procedures, the terms set out below shall have the meaning provided by this Section III.

(A) **“Account Holder”** means any person that is a Direct Account Holder or an Indirect Account Holder and with respect to which the AI acts as an Authorised Intermediary. A Direct Account Holder is any person (including another Intermediary) who has an account directly with an Authorised Intermediary. An Indirect Account Holder is any person who receives amounts that have been paid through an Authorised Intermediary but who does not have a direct account relationship with the Authorised Intermediary. For example, a person that has an account with a foreign Intermediary which, in turn, is a Direct Account Holder of the AI is an Indirect Account Holder. A person is an Indirect Account Holder even if there are multiple tiers of Intermediaries (each of which would also be a Direct or Indirect Account Holder of the Authorised Intermediary) between the person and the Authorised Intermediary. If a Fiscally Transparent Entity acts as an Intermediary under these Procedures by making claims on behalf of its partners, beneficiaries, or similar persons, each such partner, beneficiary or similar person shall be treated as an Account Holder.

(B) **“Affiliate”** means any person that controls the Applicant, that is controlled by the Applicant, or that is under common control with the Applicant.

(C) **“the AI”** means the Applicant and its Affiliates designated as Authorised Intermediaries in the Agreement of which these Procedures form a part;

(D) **“the Applicant”** means the Intermediary that submitted the application to enter into the Agreement of which these Procedures form a part;

(E) **“Authorised Intermediary”** means any Intermediary, including the AI, that has entered into an agreement with the Competent Authority to be treated as an Authorised Intermediary and acts in its capacity as an Authorised Intermediary;

(F) **“Authorised Intermediary Identification Number” or “AIIN”** means a unique combination of numbers assigned by the Source Country to an Intermediary upon the Source Country’s conclusion of an agreement to treat the Intermediary as an Authorised Intermediary;

(G) **“Competent Authority”** means the tax authority of the Source Country designated in the Agreement of which these Procedures form a part;

(H) **“Contractual Intermediary”** means any Intermediary that is neither an Excluded Intermediary with respect to the Source Country nor acting as an Authorised Intermediary and with respect to which the AI has received a valid Intermediary Declaration (original or copy) in the form set out in Annex 1 for Contractual Intermediaries certifying that the Intermediary is subject to Know Your Customer Rules (except to the extent that it is an Intermediary only by reason of being a Fiscally Transparent Entity) with respect to the Account Holders for which claims are made through the AI, authorising the disclosure of the declaration to relevant tax authorities in accordance with its terms and agreeing to specified procedures for the recovery of under-withheld tax;

(I) **“Covered Payment”** means, except to the extent modified by the Agreement, any payment of dividends or interest arising in the Source Country received by the AI with respect to an account that has been designated by the AI in accordance with Paragraph IV.A as one for which it is acting in its capacity as an Authorised Intermediary;

(J) **“Eligible Countries”** means the countries and jurisdictions designated as such in the Agreement of which these Procedures form a part;

(K) **“Excluded Intermediary”** means an Intermediary that has been designated as such by the Competent Authority in accordance with Paragraph V.D or IX.C;

(L) **“Fiscally Transparent Entity”** means an entity or arrangement that has not provided an Investor Self-Declaration on its own behalf because, under applicable tax treaties or the domestic law of the Source Country, the partners, beneficiaries or similar persons are treated for tax purposes as the owners of the income received by the entity or arrangement;

(M) **“Independent Reviewer”** means the third party designated in the Agreement to perform a review of the AI’s compliance with its obligations under these Procedures;

(N) **“Independent Reviewer’s Report”** means a report of the Independent Reviewer described in Section VIII that includes the results of testing the AI’s processes relating to the AI’s obligations under the Agreement and these Procedures and, to the extent provided in Annex 2, also includes a review of the AI’s systems and controls with respect to those processes;

(O) **“Intermediary”** means any person that acts on behalf of another person such as a custodian, broker, nominee or other agent, including a Fiscally Transparent Entity, with respect to a Covered Payment;

(P) **“Intermediary Declaration”** means the certification, in one of the forms set out in Annex 1, provided by an Intermediary to another Intermediary, authorising the disclosure of the declaration to relevant tax authorities in accordance with its terms and agreeing to specified procedures for the recovery of under-withheld tax;

(Q) **“Investor”** means any person that receives a Covered Payment and that is not acting as an Intermediary with respect to that Covered Payment;

(R) **“Investor Self-Declaration”** means the certification, in one of the forms set out in Annex 1, provided by an Account Holder to an Intermediary, certifying that the Account Holder is the beneficial owner of the income to be paid or credited to the account(s) to which the certification relates, providing certain additional information relevant to determining the appropriate rate of withholding to be applied to the income to be received, authorising the disclosure of the declaration to relevant tax authorities in accordance with its terms and agreeing to specified procedures for the recovery of under-withheld tax;

(S) **“Know Your Customer Rules”** means customer due diligence and record-keeping requirements relating to the opening and maintenance of accounts with financial services firms that are based on the relevant principles established by the Financial Action Task Force, including in particular Recommendations 4-11 of the 40 Recommendations relating to measures to prevent money laundering and terrorist financing and the 9 Special Recommendations relating to terrorist financing as they relate to financial institutions found at www.fatf-gafi.org;

(T) **“Office”** means any branch, agency, representative office or other establishment through which any of the Intermediaries designated in the Agreement as the AI conducts its business.

(U) **“Payor”** means any person that makes a Covered Payment, directly or indirectly, to an Authorised Intermediary;

(V) **“Reportable Payment”** means, except to the extent modified by the Agreement, any Covered Payment, but only to the extent that the Covered Payment (1) is paid directly, or indirectly through one or more Contractual Intermediaries, to another Authorised Intermediary acting in its capacity as an Authorised Intermediary, or (2) if not so paid, is either (a) paid, directly or indirectly, to a person who is a resident of the Source Country for tax purposes or (b) a payment that qualifies for a reduction or exemption from withholding tax in accordance with Paragraph 6 of the Agreement;

(W) **“Tax Rate Information”** means pooled information provided by an Authorised Intermediary to a Payor regarding the withholding rate to be applied to a payment;

(X) **“Taxpayer Identification Number”** means a unique combination of letters or numbers, however described, assigned by a country or other taxing authority to its residents and used to identify the residents in the course of collecting taxes; and

(Y) **“Withholding Agent”** means the person who is required, under the laws of the Source Country, to withhold tax on a Covered Payment and remit it to the Competent Authority. The term includes an Authorised Intermediary that has assumed primary withholding responsibility under an agreement with the Source Country.

IV. PROVISION OF TAX RATE INFORMATION.

(A) **In General.** The AI agrees to provide to each Payor from which the AI receives a Covered Payment in its capacity as an Authorised Intermediary Tax Rate Information that meets the requirements of

this Section IV. The Tax Rate Information must contain sufficient information for a Payor to apply the correct rate of withholding on Covered Payments with respect to which the AI is acting in its capacity as an Authorised Intermediary and, to the extent so required, to properly report such payments on the form in Annex 1 for reporting of Reportable Payments to Authorised Intermediaries. For purposes of this paragraph, the AI shall be treated as acting in its capacity as an Authorised Intermediary only with respect to those accounts with the Payor which have been so designated by the AI by providing the appropriate Intermediary Declaration.

(B) Determination of Appropriate Tax Rate. For purposes of providing Tax Rate Information to the Payor, the AI will determine the appropriate rate of tax based on the rate(s) of tax set out in Paragraph 6 of the Agreement. For purposes of that paragraph, the AI shall treat an Investor Self-Declaration as valid only if the AI has satisfied the requirements of Section V with respect to that Investor Self-Declaration.

(C) Form and Retention of Tax Rate Information. The Tax Rate Information may be provided in any manner, and in any form, to which the AI and the Payor mutually agree, so long as it allows the Payor to determine the number of shares or other securities that are subject to each applicable withholding rate (rather than a “blended” rate applied to all the shares or securities in the account). For example, the AI may agree to establish a procedure to furnish Tax Rate Information with respect to each payment of income accruing on securities held in a single “omnibus” account. Alternatively, the AI may establish with the Payor separate accounts for securities that are subject to different withholding rates. The AI would then shift securities from one account to another as necessary to take account of any transfers between investors. By establishing the accounts and communicating to the Payor the rate that should apply to each account, the AI will have provided Tax Rate Information within the meaning of this paragraph. The AI must retain records of all Tax Rate Information received by the AI from other Authorised Intermediaries and all Tax Rate Information provided by the AI to Payors (including Tax Rate Information provided in electronic form) for the period set out in Paragraph 7 of the Agreement.

(D) Information from Intermediaries. If the AI has an Account Holder that is an Authorised Intermediary or a Contractual Intermediary, the AI may combine the account holder information described in this paragraph and provided by the Intermediary with information held by the AI with respect to its Direct Account Holders that are Investors in order to provide aggregate Tax Rate Information to a Payor. The AI may not combine the information received from such other Intermediary with its own information if the AI knows or should have known that the information provided by the Intermediary is incorrect or incomplete.

(1) Information from other Authorised Intermediaries. If the Direct Account Holder with the AI is another Authorised Intermediary that has designated the relevant account as one for which it is acting in its capacity as an Authorised Intermediary, then the AI may combine the Tax Rate Information provided by the Authorised Intermediary with the AI’s own account information.

(2) Information from Contractual Intermediaries. If the Direct Account Holder with the AI is a Contractual Intermediary, the AI may combine the information received from the Contractual Intermediary with the AI’s own account information in order to provide aggregate Tax Rate

Information to a Payor only if the AI receives from the Contractual Intermediary, in addition to a valid Intermediary Declaration from the Contractual Intermediary, the following information:

(a) with respect to each Indirect Account Holder of the AI that is an Investor and for which a reduced rate of withholding tax has been claimed, a copy of the Investor Self-Declaration provided by that Account Holder that supports the claim for the reduced withholding tax, unless that Investor is also an Account Holder with respect to another Authorised Intermediary that provides Tax Rate Information in accordance with clause (b) and that Investor receives amounts paid through the Contractual Intermediary through that other Authorised Intermediary;

(b) with respect to each Indirect Account Holder of the AI that is an Intermediary with an Account Holder for whom documentation is required to be provided under clause (a) and that holds through the Contractual Intermediary, a copy of the Intermediary Declaration provided by that Intermediary and, if the Intermediary is an Authorised Intermediary, Tax Rate Information originating with that Authorised Intermediary (unless that Authorised Intermediary is also an Account Holder with respect to another Authorised Intermediary that provides Tax Rate Information in accordance with this clause (b) and that Intermediary receives amounts paid through the Contractual Intermediary through that other Authorised Intermediary); and

(c) allocation information enabling the AI to match income payments to each underlying Account Holder for whom documentation is required under clause (a) or (b).

(3) Information from Other Intermediaries. The AI may not combine with its own account information Tax Rate Information or Investor Self-Declarations provided by an Intermediary that is neither an Authorised Intermediary nor a Contractual Intermediary. Accordingly, the appropriate rate of tax to be applied to any Covered Payment to be paid, directly or indirectly, to or through such an Intermediary shall be the rate provided in subparagraph 6.f of the Agreement.

V. DOCUMENTATION REQUIREMENTS.

(A) Direct Account Holders. The AI may make a claim for a reduced rate of withholding with respect to a Covered Payment paid to a Direct Account Holder that is an Investor only if the AI has received from such Direct Account Holder a properly completed and duly executed Investor Self-Declaration that supports the claim to be made and the AI does not know or have reason to know that the Investor Self-Declaration is unreliable or incorrect. The AI shall base the Tax Rate Information it provides to a Payor under Section IV of these Procedures, as well as the information to be reported to the Competent Authority in accordance with Section VII, on the documentation rules of this Section V.

(1) Account-Opening Procedures. In connection with the opening of an account, the AI shall use reasonable efforts to obtain an Investor Self-Declaration from each of its Direct Account Holders that is an Investor. The AI shall review the Investor Self-Declaration and other information that is in its possession, including the Investor's account information and other information that the AI may have as a result of complying with applicable Know Your Customer Rules in order to determine whether the Investor Self-Declaration is unreliable or incorrect.

(2) Continuing Validity of an Investor Self-Declaration. (a) In General. Except as provided in this paragraph, an Investor Self-Declaration shall expire on the last day of the fifth calendar year following the year in which the Investor Self-Declaration is signed. The Investor Self-Declaration shall remain valid indefinitely, however, if it is provided with respect to a government (including a central bank of issue, agency or instrumentality) or an international organisation. If the Source Country develops procedures that provide for electronic confirmation of the information contained in the Investor Self-Declaration, then the validity of the Investor Self-Declaration may be extended in accordance with terms of such procedures.

(b) Updating Investor Self-Declarations. The AI shall institute appropriate measures to ensure that changes in an Account Holder's account information that could affect the Investor's Investor Self-Declaration (such as a change of address) will result in a review and, if necessary, an updating of the Investor Self-Declaration. The AI shall inform the Investor at the time the account is opened and at regular intervals thereafter of the Investor's obligation to update an Investor Self-Declaration if the information contained therein becomes incorrect. The AI will be considered to know that the information contained in the Investor Self-Declaration is incorrect if it has been informed by the Investor, the Competent Authority or a Payor or another Intermediary that the information contained in the Investor Self-Declaration is unreliable.

(B) Unreliable or Incorrect Investor Self-Declarations.

(1) In General. The AI may not make claims on the basis of an Investor Self-Declaration if the AI knows, or should have known, that the information or statements contained in the Investor Self-Declaration are unreliable or incorrect. The determination of whether the AI knows, or should have known, that the Investor Self-Declaration is unreliable or incorrect will be made by taking into account all of the information that the AI has in its possession, including the Investor's account information and other information that the AI may have in its possession as a result of complying with applicable Know Your Customer Rules. Once the AI knows, or has reason to know, that the Investor Self-Declaration provided by an Investor is unreliable or incorrect, it can no longer make claims for a reduced withholding rate on the basis of that Investor Self-Declaration. If the AI discovers that information contained in an Investor Self-Declaration is unreliable or incorrect, or if the AI receives notification from the Competent Authority that the Investor Self-Declaration provided by the Investor is unreliable or incorrect (e.g., that a Taxpayer Identification Number provided by an Investor is incorrect), the AI agrees that it will correct its records in relation to the Investor within 30 days after the AI discovers or is notified that the Investor Self-Declaration is unreliable or incorrect.

(2) Specific Examples. This section provides a non-exhaustive list of circumstances in which the AI shall be considered to have reason to know that an Investor Self-Declaration provided by a Direct Account Holder is unreliable or incorrect. If a Direct Account Holder has provided an Investor Self-Declaration that is not reliable under the rules of this Paragraph V.B., the AI shall require new documentation to the extent necessary to comply with the requirements set out below.

(a) If the Investor is a natural person, and the AI has examined, in order to comply with applicable Know Your Customer Rules, the passport of the Investor, an Investor Self-Declaration provided by the Investor will be deemed unreliable if the photograph in the passport does not match the appearance of the person presenting the passport.

(b) The AI may not rely on an Investor Self-Declaration to reduce the withholding rate that would otherwise apply if the Investor Self-Declaration is incomplete, contains information that is inconsistent with the Investor's claim, or the AI has other information that is inconsistent with the Investor's claim.

(c) The AI shall not treat an Investor as a resident of a country other than the Source Country if the permanent residence address on the Investor Self-Declaration is outside the Source Country but the AI has a mailing or residence address for the Investor inside the Source Country. The AI nevertheless may treat the Investor as a resident of a country other than the Source Country if the AI has in its possession or obtains additional corroborative documentation that supports the Investor's claim not to be a resident of the Source Country.

(d) The AI shall not treat an Investor as a resident of a country under an income tax treaty if the permanent residence address on the Investor Self-Declaration is not in the applicable treaty country. The AI nevertheless may treat the Investor as a resident of the applicable treaty country if the AI has in its possession or obtains additional corroborative documentation that supports the Investor's claim that it is a resident of the applicable treaty country.

(e) The AI shall not treat an Investor as a resident of a country under an income tax treaty if the permanent residence address on the Investor Self-Declaration is in the applicable treaty country but the AI has a mailing or residence address for the Investor outside the applicable treaty country. If the AI has a mailing or residence address for the Investor outside the applicable treaty country, the AI may nevertheless treat the Investor as a resident of the applicable treaty country if the AI has in its possession or obtains additional corroborative documentation that supports the Investor's claim that it is a resident of the applicable treaty country.

(C) Unreliable or Incorrect Information relating to Indirect Account Holders. The AI shall be considered to know that relevant information or statements contained in documentation, including Tax Rate Information, relating to an Indirect Account Holder are unreliable or incorrect if a reasonably prudent person in the position of an Authorised Intermediary would question the claims made. The AI shall be considered to have reason to know that a claim for a reduced withholding rate provided by a Contractual Intermediary is unreliable or incorrect if the Contractual Intermediary does not provide the AI with the information set out in Paragraph IV.D.2. A Payor, including an Authorised Intermediary, may not in any case rely on, or make a claim on the basis of, information originating with an Excluded Intermediary even if such information is provided to the Payor or Authorised Intermediary by a Contractual Intermediary.

(D) Designation as an Excluded Intermediary. The Competent Authority may, in its discretion, determine that information provided by a specific Intermediary is by definition unreliable. Such determination should be based on (1) objective evidence that information provided by the Intermediary in connection with these Procedures (whether with respect to the Source Country or another country) has

repeatedly been unreliable or incorrect and that such information has resulted in material under-withholding of tax that has not been promptly corrected in accordance with Section VI, or paid by the Intermediary or (2) in the case of a Contractual Intermediary, the Intermediary's failure to fulfil significant procedural obligations, including a failure to make documents described in Paragraph V.F available for inspection in accordance with that paragraph. Upon making such determination, the Competent Authority shall designate the Intermediary an Excluded Intermediary and shall add such Intermediary to the list maintained by the Competent Authority in accordance with Paragraph X.B. With respect to the Intermediary so designated, such designation shall take effect immediately, subject to Paragraph IX.C and the Intermediary so designated immediately shall cease to make any claims for reductions in the rate of withholding tax to be applied to Covered Payments. With respect to Covered Payments to be paid by the AI, directly or indirectly, to the Intermediary so designated, the designation will take effect for payments with respect to which entitlement to the payment is determined 15 days or more after the earliest of: (1) the date the Excluded Intermediary notifies the AI that a previously-provided Intermediary Declaration is no longer correct; (2) the date the AI has been notified by the Competent Authority that the Intermediary is an Excluded Intermediary (which, for this purpose, may be satisfied by an email to the appropriate person at the AI identified in Paragraph 11 of the Agreement); or (3) the date the AI otherwise discovers that the Intermediary has been designated an Excluded Intermediary. The Intermediary shall remain on such list unless it becomes an Authorised Intermediary, subject to these Procedures, with respect to the Source Country, or the Competent Authority otherwise determines that the Intermediary should be removed from the list.

(E) Maintenance and Retention of Documentation. The AI shall retain the original Investor Self-Declaration, a certified copy thereof, or a secure electronic scan thereof with respect to each Account Holder that is an Investor, and the Intermediary Declaration, a certified copy thereof, or a secure electronic scan thereof, with respect to each Account Holder that is an Intermediary. The AI shall also retain any other relevant information from the Account Holder's file. All such documentation shall be saved for the period specified in Paragraph 7 of the Agreement. However, if the Competent Authority has notified the AI that there is an open audit or investigation for which documentation in the Account Holder's file and/or an Intermediary Declaration is relevant, such documentation may not be destroyed but must be retained until the Competent Authority has notified the AI that the audit or investigation has been completed.

(F) Access to Documentation. The AI shall make the Investor Self-Declarations and any Intermediary Declarations received in accordance with Paragraph IV.D.2, associated Tax Rate Information provided to Payors and any other information referred to in this Section V (including information received as a result of complying with Know Your Customer Rules) available upon request for inspection by the Independent Reviewer and the Competent Authority in accordance with Section VIII. The AI shall also use its best efforts to make available to the Independent Reviewer and the Competent Authority any information described in the preceding sentence that is held by any Contractual Intermediary that is an Affiliate of the AI. The AI shall, upon request, transmit the documents and information described in this paragraph to the Competent Authority in the Source Country or, to the extent possible, make such documents and other information available to the Competent Authority for inspection at the Offices of the AI.

VI. ADJUSTMENTS FOR OVER- AND UNDER-WITHHOLDING.

(A) **Adjustments by AI before Annual Report is Filed.** If, at any time prior to the filing of the Annual Report required by Section VII, the AI discovers that the Tax Rate Information provided to a Payor, and/or the withholding tax collected by the Payor, was incorrect, the procedures provided in this Paragraph A shall apply. Any adjustments that have been made in accordance with this Paragraph shall be reflected in the annual information reports required by Section VII.

(1) Over-Withholding. The AI may request that a Payor make an adjustment for amounts paid to the AI with respect to which too much tax has been withheld. Such adjustment may be made by way of the reimbursement procedure described in clause (a) or the set-off procedure described in clause (b). Such adjustment must be requested and made within the time period prescribed in such clauses. An Account Holder that has received a Covered Payment with respect to which too much tax has been withheld may request that the AI make the request described in this paragraph. The AI shall use its best efforts to ensure that any request for adjustment is made in a timely manner and shall co-operate with the Payor to facilitate a prompt adjustment. If an adjustment has not been made before the end of the period prescribed in clause (a) or (b) below, the AI shall withdraw its request and shall file a claim for refund in accordance with Paragraph C below. The AI may also withdraw its request and file a claim for refund in accordance with Paragraph C below if the time period in clause (a) or (b) has not expired but 2 months have elapsed since the date of the request and no adjustment has been made.

(a) Reimbursement Procedure. The AI may request that a Payor repay the AI for any amount over-withheld, in which case the Payor may make a similar request of any other Payor from which it has received a Covered Payment. The AI must make such request to the Payor prior to the due date for filing the report required by Paragraph VII.B.

(b) Set-Off Procedure. The AI may request that a Payor repay the AI by applying the amount over-withheld against any amount that otherwise would be required to be withheld from Covered Payments made by the Payor to the AI. The AI must make such request to the Payor prior to the due date for filing the report required by Paragraph VII.B.

(2) Under-Withholding. If the AI knows that an amount should have been withheld from a previous Covered Payment made to an Account Holder but it has not been withheld (or the amount withheld was too low), the AI shall notify the Payor and shall agree with the Payor as to the appropriate course to remedy the shortfall. For example, the Payor, if it is a Withholding Agent with respect to the Covered Payments, may withhold from future payments made to the AI with respect to the relevant Account Holder. Alternatively, the AI may arrange covering payment from the Account Holder or, if necessary, satisfy the obligation out of property of the Account Holder over which it has control, by making payment to, or to the order of, the Payor.

(3) Claim for Refund. If an AI has provided Tax Rate Information to a Payor that results in too much tax being withheld from a Covered Payment, or the Payor incorrectly collects too much withholding tax, and the AI is not able to make a request for an adjustment, or has withdrawn such a request, in accordance with Paragraph A.1 of this Section, the AI may make a claim for refund of the over-withheld tax by filing a claim on behalf of Account Holders that are Investors

directly with the Competent Authority at the address provided in the Agreement or electronically using [description of transmission format]. If the over-withholding is attributable to Tax Rate Information originating with an underlying Authorised Intermediary in accordance with Paragraph IV.D.1, the claim for refund shall be made by the Authorised Intermediary that originated the Tax Rate Information, not by the AI. All claims under this Paragraph VI.A.3 must be filed by the date specified in Paragraph 8 of the Agreement, using the form in Annex 1.

(B) Adjustments by AI with Year-End Summary. In connection with filing the information report required by Section VII, the AI shall also file the Year-End Summary of Covered Payments in the form set out in Annex 1. Any adjustments for over- or under-withholding of tax that have not been made in accordance with Paragraph A shall be reflected in the Year-End Summary. The AI shall pay any additional tax reflected on the Summary at the time the Summary is filed with the Competent Authority.

(C) Adjustments Originating with the Competent Authority. If the Competent Authority determines that tax has been under-withheld and that, in accordance with Section II.B, the AI is liable for the under-withheld tax, the Competent Authority shall so notify the AI before proceeding against any other Intermediary and/or a Withholding Agent. The AI shall have 30 days to demonstrate to the satisfaction of the Competent Authority that the tax in fact was not under-withheld, or to pay the under-withheld tax. If the AI has not paid the under-withheld tax by the expiration of such period, the Competent Authority may proceed against any Withholding Agent.

VII. INFORMATION REPORTING.

(A) In General. The AI shall be required to report to the Source Country detailed information regarding Reportable Payments paid, directly or through one or more Contractual Intermediaries, to its Account Holders that are Investors as well as those that are Authorised Intermediaries, during the calendar year. In connection with filing such information reports, the AI shall also file the Year-End Summary of Covered Payments in the form set out in Annex 1.

(B) Contents of Information Report. The information report shall include:

- (1) the name, address, and AINN of the AI;
- (2) the name, address and Taxpayer Identification Number of the Account Holder (or other form of information or combination of information (e.g., address and birth date) used by a country or other taxing authority to identify its residents for purposes of collecting taxes) and country of residence in the case of an Account Holder that is not an Authorised Intermediary; and
- (3) information regarding the amount of a Reportable Payment (in the currency of the Source Country), the date on which it was paid or credited to the Account Holder, details of the securities in respect of which the payment was made and amount of tax withheld from the Reportable Payment.

In the case of a Reportable Payment paid to another Authorised Intermediary, the relevant Taxpayer Identification Number shall be the Authorised Intermediary Identification Number. In the case of a

Reportable Payment made to a resident of the Source Country, the AI shall use any Taxpayer Identification Number assigned to that resident by the Source Country, even if the Account Holder is also a resident of another country.

(C) Format and Filing. Reporting with respect to Account Holders that are not Authorised Intermediaries shall be made on the relevant form required by Annex 1. Reporting with respect to Authorised Intermediaries shall be made on the relevant form required by Annex 1. Such forms shall be filed annually, on or before 30 April of the year following any calendar year in which the AI receives Reportable Payments in its capacity as an Authorised Intermediary. The AI may file such reports electronically using the Standard Transmission Format developed by the Organisation for Economic Co-Operation and Development. All amounts shall be reported in the currency of the Source Country.

VIII. COMPLIANCE.

(A) In General. In order to assess compliance by the AI with its obligations under the Agreement and these Procedures, the Competent Authority may require the delivery of an Independent Reviewer's Report in accordance with Paragraph B of this Section. The Competent Authority shall, in addition, maintain the right to review directly the AI's compliance with these Procedures and the Agreement.

(B) Report of the Independent Reviewer. The Independent Reviewer's Report shall focus on the AI's compliance with its obligations under the Agreement and these Procedures. In this regard, the Independent Reviewer's Report will review the AI's processing of Covered Payments, including the application of tax withholding in accordance with Paragraph 6 of the Agreement and the documentation secured under Section V, and its reporting to the Source Country in accordance with Section VII. The Independent Reviewer's Report shall be prepared in accordance with Annex 2.

(1) Access to Information. The AI shall permit the Independent Reviewer to have access to all relevant records of the AI for purposes of completing the Independent Reviewer's Report, including information regarding specific Account Holders receiving Covered Payments. The AI shall permit the Competent Authority to examine the Independent Reviewer's work papers and reports.

(2) Timing and Filing of Independent Reviewer's Report. (a) In General. The AI shall have the Independent Reviewer prepare an Independent Reviewer's Report for the first full calendar year that the AI has in effect an agreement with any country pursuant to which it acts as an Authorised Intermediary in accordance with these Procedures. Thereafter, the Independent Reviewer will prepare an Independent Reviewer's Report only upon request by any tax authority that is a Competent Authority under any such agreement, which shall be no more often than every third year unless a Competent Authority has good cause for requesting a more frequent Independent Review, including that a prior review of the AI has indicated a significant failure by the AI to meet its obligations under the Agreement and these Procedures and/or the risk of default. Notwithstanding the preceding sentences, if the Independent Reviewer's Report identifies failures by the AI to meet its obligations under the Agreement and these Procedures, the years between the last reviewed year and the year subject to the Independent Reviewer's

Report shall also be subject to review, but only if the AI would be liable under Paragraph II.B with respect to any claim by the Competent Authority with respect to such year.

(b) First Year of the Agreement. Upon the entry into effect of the Agreement, the AI shall provide the Competent Authority with a copy of the most recent Independent Reviewer's Report prepared in accordance with subparagraph (a). If the first full calendar year that the Agreement is in effect is not a year for which an Independent Review otherwise would be performed in accordance with subparagraph (a), the Competent Authority nevertheless may elect to have an Independent Review performed for that year. However, such Independent Review shall be limited to a review, in accordance with Sections III to V of Annex 2, of the processing of two Covered Payments arising in the Source Country unless, after receiving the results of that review, the Competent Authority has reasonable concerns regarding the AI's compliance with the Agreement. In that case, the Competent Authority may request a supplementary review as described in Section VI of Annex 2. Thereafter, Independent Reviews with respect to the Source Country will be performed on the same schedule as set out in subparagraph (a).

(c) Notice and Filing. A Competent Authority requesting an Independent Review in accordance with subparagraph (a) or (b) must notify the AI that a report will be required no later than 31 December of the year to which the report is to relate. The Independent Reviewer shall provide a copy of any Independent Reviewer's Report prepared pursuant to subparagraph (a) to each country with which the AI has in effect an agreement pursuant to which it acts as an Authorised Intermediary in accordance with these Procedures no later than 30 September of the year following the year to which the report relates. A Competent Authority may, however, upon request by the Independent Reviewer, extend the due date for the Independent Reviewer's Report upon a showing of good cause.

(3) Scope of the Independent Reviewer's Report. In connection with the Independent Reviewer's Report prepared with respect to the first full calendar year that an Agreement is in effect, the Independent Reviewer must review the AI's compliance with the Agreement and these Procedures in accordance with the agreed procedures for review set forth in Annex 3. At a minimum, the Independent Reviewer must review the AI's processing of Covered Payments, including the application of tax withholding in accordance with paragraph 6 of the Agreement and the documentation secured under Section V, and its reporting to the Source Country in accordance with Section VII. With respect to later years, if the Competent Authority requests further review by the Independent Reviewer, such review may encompass any reasonable combination of the elements in Annex 3. The Independent Reviewer's Report must fully describe the scope of the review, the methodologies (including sampling techniques) used to determine whether the AI is in compliance with the provisions of the Agreement and these Procedures and address each of the items in the preceding sentences.

(4) Use of Statistical Sampling. If a procedure in Annex 2 requires an Independent Reviewer to make a determination based on a valid sample of accounts, it shall use a statistical sampling whenever an examination of all accounts within a particular class of accounts would be

unreasonable in terms of time and expense. If it is reasonable to examine all accounts in connection with a particular issue, statistical sampling techniques shall not be used.

(5) Consolidated Review of the AI. The Independent Reviewer may conduct a consolidated review of the AI, so long as (1) the members of the group making up the AI operate with uniform practices and procedures and shared systems for performing the functions being reviewed, and (2) those practices and procedures and shared systems are subject to uniform monitoring and control.

(6) Designation of Independent Reviewer. The AI shall propose to the Competent Authority an initial Independent Reviewer that is subject to laws, regulations or rules that impose sanctions for failure to exercise its independence and to perform the review competently. The AI's initial Independent Reviewer is designated in Paragraph 9 of the Agreement. The Competent Authority may, however, revoke its acceptance of the Independent Reviewer if it reasonably believes that the reviewer designated is not independent or cannot perform an effective review under these Procedures. In such case, the Competent Authority shall notify the AI by June 30 of the year preceding the year for which an Independent Review is to be conducted. Within 90 days of such notification, the AI shall propose a substitute for the Independent Reviewer that the AI reasonably believes to be subject to laws, regulations or rules that impose sanctions for failure to exercise its independence and to perform the review competently. The Competent Authority shall approve or reject the substitute Independent Reviewer within 30 days of receiving the proposal from the AI.

(C) Review by the Competent Authority. The Competent Authority may also review directly the AI's compliance with the Agreement. Such a review may take the form of spot checks, pursuant to which the Competent Authority would request information regarding a certain percentage or number of Account Holders receiving a specific Covered Payment, in order to determine whether the amount of withholding tax collected, and any information required to be reported, was correct. In connection with such a spot check, the Competent Authority might also examine other information held by the AI with respect to the relevant Account Holders, such as information collected in the course of complying with Know Your Customer Rules. The Competent Authority may also decide to confirm the claims for benefits, with respect to specific Account Holders or a random sample of Account Holders, by requesting that the country listed on the Investor Self-Declaration as the Account Holder's country of residence confirm that the Account Holder is in fact a resident of that country. In addition to such spot checks, the Competent Authority may also pursue a more expansive examination of the AI's operations and procedures. Such an examination might occur, for example, when the Independent Reviewer's Report and/or the spot checks described in this paragraph suggest a persistent and pervasive failure by the AI to meet its obligations under the Agreement and these Procedures or when the Competent Authority becomes aware of problems that might not be discovered as a result of the information reporting required by Section VII. In those cases, the Competent Authority will meet with the AI in order to clarify and resolve those problems, with a view to avoiding a default that would necessitate termination of the Agreement.

IX. TERMINATION OF AGREEMENT

(A) **In General.** Subject to Paragraph B of this Section, the Agreement may be terminated by either the Competent Authority or the AI by delivery of a notice of termination to the other party in accordance with Paragraph X.E. A notice of termination sent by either party shall take effect on the date specified in the notice, which in the case of a notice sent by the Competent Authority shall be at least 30 days after the date on which the notice is received by the AI.

(B) **Termination for Cause.** During the period beginning with the effective date provided in Paragraph 12 of the Agreement (without regard to any later effective date applicable with respect to any modification of the Agreement) and ending seven years thereafter, the Competent Authority shall not terminate the Agreement unless there has been a significant change in circumstances, as defined in Subparagraph 1, or an event of default has occurred, as defined in Subparagraph 2. Before delivering notice of termination for cause, the Competent Authority shall follow the resolution procedures in Subparagraph 3.

(1) Significant Change in Circumstances. For purposes of these Procedures, a significant change in circumstances includes, but is not limited to –

- (a) An acquisition of all, or substantially all, of the AI's assets in any transaction unless, in the case of a merger, the AI is the surviving legal entity;
- (b) A change in any applicable law or policy that affects the validity of any representation made by the AI in its application to become an Authorised Intermediary, affects the validity of any provision of the Agreement, materially affects the procedures contained in these Procedures or affects the AI's ability to perform its obligations under the Agreement and these Procedures;
- (c) A final ruling of any court that affects the validity of any provision of the Agreement or these Procedures; or
- (d) Any other significant change in the AI's circumstances that affects the AI's ability to meet its obligations under the Agreement and these Procedures.

(2) Events of Default. For purposes of these Procedures, an event of default occurs if the AI fails to perform any material duty or obligation required under the Agreement and these Procedures, and includes, but is not limited to, the occurrence of any of the following:

- (a) The AI fails to implement adequate procedures, accounting systems, and internal controls to ensure compliance with the Agreement and these Procedures;
- (b) The AI makes a misrepresentation with respect to Tax Rate Information that results in substantial under-withholding by a Withholding Agent;
- (c) The AI fails to notify a Payor that an amount that should have been withheld from a previous Covered Payment made to the AI has not been withheld (or the amount withheld was

too low), and/or fails to take the actions specified in Section VI to remedy the under-withholding;

(d) The AI makes refund claims in excess of the amount to which its Account Holders are entitled;

(e) The AI fails to timely file the forms required by Section VII, or files forms that are materially incorrect or fraudulent;

(f) The AI fails to have the Independent Reviewer prepare an Independent Reviewer's Report required by Section VIII.B, the AI fails to cooperate with the Independent Reviewer, or the AI or its Independent Reviewer fails to provide reasonable cooperation with the Competent Authority;

(g) The AI fails to inform the Competent Authority within 90 days of any significant change in its circumstances to the extent that change affects the AI's obligations under the Agreement and these Procedures;

(h) The AI fails to cure a material error, omission or deficiency identified by the Competent Authority or by an Independent Reviewer;

(i) The AI makes any fraudulent statement or a misrepresentation of material fact with regard to the Agreement to the Competent Authority, a Payor or Withholding Agent, or the AI's Independent Reviewer;

(j) The AI fails to provide the Competent Authority with an Independent Reviewer's Report that complies with Section VIII;

(k) The AI is prohibited for any reason (including by law or contract) from disclosing the identity of an Account Holder or account information to the AI's Independent Reviewer or any relevant tax authorities for the purposes of monitoring the AI's performance under the Agreement; or

(l) The AI removes residents of the Source Country from accounts covered by the Agreement for the purpose of circumventing the information reporting requirements of Section VII.

(3) Resolution Process. Upon the occurrence of an event of default, the Competent Authority may deliver to the AI a notice of default specifying the event of default that has occurred and proposing a date for a meeting between the Competent Authority, the AI and, if necessary, the Independent Reviewer, which date shall be within 45 days of the date of the notice. The purpose of such meeting shall be to clarify and resolve any underlying problems that have led to the event of default. In advance of that meeting, the AI may provide an offer to cure the event of default, including the time period in which the cure will be accomplished, or a statement giving any reasons why the AI does not agree that an event of default has occurred. The Competent Authority may provide its own counter-proposal regarding the method of cure and the applicable timetable and/or a response to any statement by the AI regarding the existence of an event of

default. If the Competent Authority and the AI reach a satisfactory resolution regarding whether an event of default exists and a method and timetable for the cure of any such default, or a timetable for further discussions that might lead to such a satisfactory resolution, the Competent Authority shall not terminate the Agreement so long as the AI complies with the terms of any such resolution or discussions that might lead to such a resolution are on-going. If the Competent Authority and the AI cannot reach a satisfactory resolution at the meeting, and cannot agree to a timetable for further discussions that might lead to such a resolution, the Competent Authority may deliver a notice of termination in accordance with this Paragraph B. The Competent Authority may also deliver a notice of termination for cause if the AI does not agree to hold a meeting within 45 days of the delivery of the notice of default or fails to attend the scheduled meeting, unless the AI can show good cause for such a delay or failure and agrees to hold such a meeting as soon as practicable and within a time frame acceptable to the Competent Authority. If an event of default is discovered in the course of an Independent Review, the AI may cure the default, without following the procedures of this paragraph, if the Independent Reviewer's report describes the default and the actions that the AI took to cure the default and the Competent Authority determines that the cure procedures followed by the AI were sufficient. If the Competent Authority determines that the AI's actions to cure the default described in the preceding sentence were not sufficient, the Competent Authority shall issue a notice of default and the procedures described in this paragraph shall be followed.

(C) Co-Ordination with Designation as an Excluded Intermediary. If the Competent Authority designates the AI as an Excluded Intermediary in accordance with Paragraph V.D, such designation shall, at the request of the AI, be treated as an event of default to which the resolution process provided in Paragraph B will apply. However, in such case the initial meeting generally will take place within 15 days of such designation. If a satisfactory resolution is reached, the Competent Authority may suspend the designation so long as the AI complies with the terms of such resolution. If a satisfactory solution is not reached or the AI fails to comply with such resolution, the designation of the AI as an Excluded Intermediary shall become effective in accordance with the terms of Paragraph V.D. In addition, if the Competent Authority terminates the Agreement for cause in accordance with Paragraph B, the AI shall thereafter be treated as an Excluded Intermediary for a period of five years, unless the Competent Authority earlier agrees (1) that an Authorised Intermediary may treat it as a Contractual Intermediary or (2) that the Intermediary may act as an Authorised Intermediary.

X. MISCELLANEOUS PROVISIONS.

(A) List of Authorised Intermediaries. The Competent Authority shall maintain a list of Intermediaries that have been authorised by the Competent Authority to act as Authorised Intermediaries with respect to income arising in the Source Country and whose authorisations have not been revoked. The Competent Authority will make available to any person the name and address of any such Intermediaries which have been so authorised and may if they so choose publish such information.

(B) List of Excluded Intermediaries. The Competent Authority shall maintain a list of Intermediaries that have been identified as Excluded Intermediaries. Such list shall include those Intermediaries whose authorisation to act as Authorised Intermediaries has been terminated by the Competent Authority in accordance with Section IX and any other Intermediaries designated by the

Competent Authority in accordance with Paragraph V.D. The Competent Authority will make available to any person the name and address of any such Intermediaries which have been so designated and may if they so choose publish such information.

(C) Waiver. Any waiver of a provision of the Agreement or these Procedures by the Competent Authority is a waiver solely of that provision. The waiver does not obligate the Competent Authority to waive other provisions of the Agreement or these Procedures or the same provision with respect to a later period.

(D) No Assignment. The AI's rights and responsibilities under the Agreement and these Procedures cannot be assigned to another person.

(E) Notices. Notices provided under the Agreement shall be mailed registered, first class mail with, if permissible, a copy sent by e-mail. Such notices shall be directed as provided in the Agreement. All notices sent to the Competent Authority must include the AI's AIIN.

(F) No Agency. The AI, acting in its capacity as an Authorised Intermediary, or in any other capacity, does not act as an agent of the Competent Authority, nor does it have the authority to hold itself out as an agent of the Competent Authority.

ANNEX 1:

FORMS TO BE USED UNDER THE AGREEMENT

1. Investor Self-Declaration – Individuals
(required by Section V of the Procedures)
2. Investor Self-Declaration – Entities
(required by Section V of the Procedures)
3. Intermediary Declaration – Authorised Intermediary
(required by Section IV.C of the Procedures)
4. Intermediary Declaration – Contractual Intermediary
(required by Section IV.D.2 of the Procedures)
5. Annual Information Report by an Authorised Intermediary with respect to Reportable Payments Made, Directly or Indirectly through Contractual Intermediaries, to an Investor
(required by Section VII.A of the Procedures)
6. Annual Information Report by an Authorised Intermediary with respect to Reportable Payments Made, Directly or Indirectly through Contractual Intermediaries, to an Authorised Intermediary
(required by Section VII.A of the Procedures)
7. Year-End Summary of Covered Payments
(required by Section VII.A of the Procedures)
8. Claim for Refund by an Authorised Intermediary with respect to Reportable Payments
(provided for in Section VI.A of the Procedures)
9. Optional Notification from the Competent Authority to an Authorised Intermediary that a Refund Has Been Paid

INVESTOR SELF-DECLARATION – INDIVIDUALS

Recipient of Declaration: _____ (along with any successor-in-interest, the “Recipient”)

Name of Investor: _____

Permanent Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Mailing Address (if different) _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Place of Birth: _____ Date of Birth: _____

Account Number(s) Covered by this Declaration: _____

1. I hereby certify that I (the “Investor”) am a resident of _____ for tax purposes. I further certify that: (*Must either complete (a) or initial (b) :*)

(a) my Taxpayer Identification Number (“TIN”) in my country of residence is _____; or

(b) my country of residence does not issue TINs to its residents or I am otherwise unable to procure a TIN from my country of residence. []

2. I certify that: (*Must either initial (a) or complete (b)*)

(a) I am not a resident for tax purposes of any country other than that set out in paragraph 1 []; or

(b) I am a resident for domestic tax purposes of the following countries in addition to that set out in paragraph 1 and my TIN in each additional country of residence is set out below or I have initialled to indicate that a TIN is unavailable:

Country: _____; TIN _____ or TIN Unavailable []

Country: _____; TIN _____ or TIN Unavailable []

3. I certify that, except to the extent set out in this paragraph, I am a resident of the country set out in paragraph 1 for purposes of all relevant tax treaties, am not acting as an agent, nominee or conduit with respect to the income that is to be paid or credited to the account(s) to which this Declaration relates, and am the beneficial owner of such income, and that I meet any additional criteria necessary to claim the benefits of such treaties with respect to the income to be received through my account(s) with the Recipient. I further certify that such income is not attributable to a permanent establishment or fixed base that is maintained by me outside the country set out in paragraph 1. The certifications in this paragraph do not apply to the following treaties, with respect to which I am subject to restrictions on treaty benefits (for example, because the relevant treaty would deny me benefits as a non-domiciliary resident of the country noted in paragraph 1) with respect to the specified types of income:

4. I hereby authorise the Recipient to provide, directly or indirectly, to any relevant tax authorities a copy of this form and to disclose to such tax authorities any additional information that the Recipient may have in its possession that is relevant to my qualification for any benefits claimed on the basis of this Investor Self-Declaration. I acknowledge and agree that information regarding income paid or credited to or for the benefit of the account(s) set out above may be reported to the tax authorities of the country in which such income arises and that those tax authorities may provide the information to the country or countries in which I am a resident for tax purposes.

5. I also authorise the Recipient to provide, directly or indirectly, a copy of this form to any person that has control, receipt, or custody of income to which this form relates or any person that can disburse or make payments of income to which this form relates.

6. If the Recipient determines that an amount that should have been withheld from a previous payment made to my account(s) has not been withheld (or the amount withheld was too low), I authorise the Recipient to take such action as may be appropriate to remedy the shortfall, including increasing the withholding from future payments made to me, arranging covering payment from me or, if necessary, satisfying the obligation out of property that it holds for me.

7. I undertake to advise the Recipient promptly of any change in circumstances which causes the information contained herein to become incorrect and to provide the Recipient with a suitably updated Self-Declaration within 30 days of such change in circumstances.

I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signed: _____

Title: Mr./Ms./etc.

Name of Signatory in block capitals or type

Date: _____

INVESTOR SELF-DECLARATION – ENTITIES

Recipient of Declaration: _____ (along with any successor-in-interest, the “Recipient”)

Name of Investor: _____ (the “Investor”)

Statutory Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Mailing Address (*if different*) _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Place of Incorporation/Organisation: _____

Date of Incorporation/Organisation: _____

Account Number(s) Covered by this Declaration: _____

1. I hereby certify that the Investor is a resident of _____ for tax purposes. I further certify that: (*Must either complete (a) or initial (b)*) :

(a) the Investor’s Taxpayer Identification Number (“TIN”) in its country of residence is _____; or

(b) the Investor’s country of residence does not issue TINs to its residents or the Investor otherwise is unable to procure a TIN from its country of residence. []

2. I certify that: (*Must either initial (a) or complete (b)*):

(a) The Investor is not a resident for tax purposes of any country other than that set out in paragraph 1 []; or

(b) The Investor is a resident for domestic tax purposes of the following countries in addition to that set out in paragraph 1 and its TIN in each additional country of residence is set out below or I have initialled to indicate that a TIN is unavailable:

Country: _____; TIN _____ or TIN Unavailable []

Country: _____; TIN _____ or TIN Unavailable []

3. I certify that, except to the extent set out in this paragraph, the Investor is a resident of the country set out in paragraph 1 for purposes of all relevant tax treaties, is not acting as an agent, nominee or conduit with respect to the income that is to be paid or credited to the account(s) to which this Declaration relates, and is the beneficial owner of such income, and that the Investor meets any additional criteria necessary to claim the standard benefits of such treaties with respect to the income to be received through such account(s) with the Recipient or has detailed at paragraphs 5 to 9 below any preferential treaty entitlements. I further certify that such income is not attributable to a permanent establishment or fixed base that is maintained by the Investor outside the country set out in paragraph 1. The certifications in this paragraph do not apply to the following treaties, with respect to which the Investor is subject to restrictions on treaty benefits (for example, because the Investor does not meet any applicable limitation on benefits or anti-abuse provisions) with respect to the specified types of income:

4. I certify that the Investor is of the following type in the country set out in paragraph 1: Body Corporate Government (including central bank of issue, agency or instrumentality) International Organisation Pension Fund Charity Collective Investment Vehicle Partnership (other than a collective investment vehicle) Trust (other than a collective investment vehicle, charity or pension fund) Estate Other (please describe) _____

5. *(Applicable only if the “Government”, “Pension Fund” or “Charity” box is checked at paragraph 4 above)*

I certify that the Investor is a governmental entity, pension fund, charity or other similar entity that is entitled to a preferential rate of withholding tax under the following treaties with respect to the specified types of income:

6. *(Applicable only if the “International Organisation” box is checked at paragraph 4 above)*

I certify that the Investor is an international organisation that is entitled to an exemption or a preferential rate of withholding tax under the following statutory authority or tax or other treaties (if other treaty, specify to which countries it is applicable) with respect to the specified types of income:

7. *(Applicable only if the “Collective Investment Vehicle” box is checked at paragraph 4 above)*

I certify that the Investor is a widely-held collective investment vehicle that is entitled to claim benefits on its own behalf, in whole or in part, with respect to the source countries set out in Attachment A, as it may be updated from time to time.

8. *(Applicable only if the “Partnership”, “Trust” or “Estate” box is checked at paragraph 4 above)*

I certify that the Investor is a partnership, trust, estate or similar vehicle, not being a widely-held collective investment vehicle, that is entitled to claim benefits on its own behalf, in whole or in part, with respect to the source countries set out in Attachment B, as it may be updated from time to time.

9. *(If applicable)* I certify that the Investor is entitled to a preferential treaty rate of withholding tax not otherwise covered at paragraph 5 above (including rates applicable to companies receiving dividends from companies in which they own a specified percentage of the capital or voting

rights (or some combination thereof), with respect to which the Investor or Recipient must make a separate claim) under the following treaties with respect to the specified types of income:

10. I hereby authorise the Recipient to provide, directly or indirectly, to any relevant tax authorities a copy of this form and to disclose to such tax authorities any additional information that the Recipient may have in its possession that is relevant to the Investor's qualification for any benefits claimed on the basis of this Investor Self-Declaration. I acknowledge and agree that information regarding income paid or credited to or for the benefit of the account(s) set out above may be reported to the tax authorities of the country in which such income arises and that those tax authorities may provide the information to the country or countries in which the Investor is a resident for tax purposes.

11. I also authorise the Recipient to provide, directly or indirectly, a copy of this form to any person that has control, receipt, or custody of income to which this form relates or any person that can disburse or make payments of income to which this form relates.

12. If the Recipient determines that an amount that should have been withheld from a previous payment made to the account(s) of the Investor has not been withheld (or the amount withheld was too low), I authorise the Recipient to take such action as may be appropriate to remedy the shortfall, including increasing the withholding from future payments made to the Investor, arranging covering payment from the Investor or, if necessary, satisfying the obligation out of property that it holds for the Investor.

13. I undertake to advise the Recipient promptly of any change in circumstances which causes the information contained herein to become incorrect and to provide the Recipient with a suitably updated Self-Declaration within 30 days of such change in circumstances.

On behalf of the Investor, I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature

Date

Name of Signatory in block capitals or type

Position with respect to Investor

ATTACHMENT A TO INVESTOR SELF-DECLARATION – ENTITIES

Recipient of Declaration: _____ (along with any successor-in-interest, the “Recipient”)
 Name of Investor: _____ (the “Investor”)
 Statutory Address: _____
 City: _____ Province, State or Locality: _____
 Country: _____ Postal Code: _____
 Account Number(s) Covered by this Attachment: _____

**QUALIFICATION OF INCOME RECEIVED BY
 COLLECTIVE INVESTMENT VEHICLES
 ELIGIBLE FOR TREATY BENEFITS**

Source Country	100% Eligible (Yes/No)	Proportion (if No)	Period Covered	Method (Quarterly Determinations, Sales Restrictions, Tracing, etc.)

On behalf of the Investor, I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

 Signature

 Date

 Name of Signatory in block capitals or type

 Position with respect to Investor

ATTACHMENT B TO INVESTOR SELF-DECLARATION – ENTITIES

Recipient of Declaration: _____ (along with any successor-in-interest, the “Recipient”)
 Name of Investor: _____ (the “Investor”)_____
 Statutory Address: _____
 City: _____ Province, State or Locality: _____
 Country: _____ Postal Code: _____
 Account Number(s) Covered by this Attachment: _____

**QUALIFICATION OF INCOME RECEIVED BY
 A PARTNERSHIP, TRUST OR SIMILAR VEHICLE
 ELIGIBLE FOR TREATY BENEFITS**

Source Country	100% Eligible (Yes/No)	Proportion (if No)	Period Covered

On behalf of the Investor, I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

 Signature

 Date

 Name of Signatory in block capitals or type

 Position with respect to Investor

INTERMEDIARY DECLARATION – AUTHORISED INTERMEDIARY

Recipient of Declaration: _____ (along with any successor-in-interest, the “Recipient”)

Name of Intermediary Providing Declaration: _____ (the “Intermediary”)

Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Account Number(s) Covered by this Declaration: _____

1. I hereby certify that the Intermediary is an Authorised Intermediary with respect to each of the Countries in the attached table, its Authorised Intermediary Identification Number with respect to each Country is as provided therein, it is acting in its capacity as an Authorised Intermediary with respect to the account(s) listed above and, if so indicated, its Agreement with the relevant Country provides for a modified definition of Covered Payments. It is understood that, in order for a payment received by the Intermediary to receive a reduction or exemption from withholding tax in such Countries, the Intermediary must provide Tax Rate Information to the Recipient.

2. I authorise the Recipient to provide, directly or indirectly, to any relevant tax authorities a copy of this form and to disclose to such tax authorities any additional information that the Recipient may have in its possession that is relevant to determining whether any Investor that holds through the Recipient qualifies for any benefits claimed on the basis of this Intermediary Declaration and other information such as Tax Rate Information provided to the Recipient.

3. I also authorise the Recipient to provide, directly or indirectly, a copy of this form to any person that has control, receipt, or custody of income to which this form relates or any person that can disburse or make payments of income to which this form relates.

4. If the Recipient determines that an amount that should have been withheld from a previous payment made to the account of the Intermediary has not been withheld (or the amount withheld was too low), I authorise the Recipient to take such action as may be necessary to remedy the shortfall, including increasing the withholding from future payments made to the Intermediary, arranging covering payment from the Intermediary or, if necessary, satisfying the obligation out of property that it holds for the Intermediary.

5. The Intermediary undertakes to advise the Recipient promptly of any change in circumstances which causes the information contained herein to become incorrect and to provide the Recipient with a suitably updated Declaration within 30 days of such change in circumstances.

On behalf of the Intermediary, I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature

Date

Name of Signatory in block capitals or type

Position with respect to Intermediary

**Source Countries with Respect to which
the Intermediary is an Authorised Intermediary**

Country	AIIN	Modification to Definition of Covered Payment (Y/N)	Description of Modification

INTERMEDIARY DECLARATION – CONTRACTUAL INTERMEDIARY

Recipient of Declaration: _____ (along with any successor-in-interest, the “Recipient”)

Name of Intermediary Providing Declaration: _____ (the “Intermediary”)

Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Account Number(s) Covered by this Declaration: _____

1. I hereby certify that the Intermediary is a resident of _____ for tax purposes. I further certify that: (*Must either complete (a) or initial (b)*) :

(a) the Intermediary's Taxpayer Identification Number (“TIN”) in its country of residence is _____; or

(b) the Intermediary's country of residence does not issue TINs to its residents or the Intermediary otherwise is unable to procure a TIN from its country of residence. []

2. I hereby certify that the Intermediary is not an Excluded Intermediary with respect to any of the Countries in the attached list and, with respect to such Countries, is not acting as an Authorised Intermediary with respect to the account(s) listed above. It is understood that, in order for a payment received by the Intermediary to receive a reduction or exemption from withholding tax in such Countries, the Intermediary must provide to the Recipient, in addition to this Declaration:

(a) with respect to each Investor that receives payments through the Intermediary, either directly or indirectly, a copy of the Investor Self-Declaration provided by that Investor that supports the claim for the reduced withholding tax, unless that Investor holds through an Authorised Intermediary that provides Tax Rate Information in accordance with clause (b) that is passed on to the Recipient and that Investor receives amounts paid through the Intermediary through that Authorised Intermediary;

(b) with respect to each other Intermediary that receives payments through the Intermediary, either directly or indirectly, and that has an Account Holder for whom documentation is required to be provided under clause (a), a copy of the Intermediary Declaration provided by that Intermediary and, if that other Intermediary is an Authorised Intermediary, Tax Rate Information originating with that Authorised Intermediary (unless that Authorised Intermediary is also an Account Holder with respect to another Authorised Intermediary that provides Tax Rate Information in accordance with this clause (b) and that Intermediary receives amounts paid through the Contractual Intermediary through that other Authorised Intermediary; and

(c) allocation information enabling the Recipient to match income payments to each underlying Investor or Intermediary for whom documentation is required to be provided under clause (a) or (b).

It is understood that the payment received by the Intermediary shall not receive any reduction or exemption from withholding tax of the countries in the attached list where an Investor holds through another Intermediary that is neither an Authorised Intermediary nor a Contractual Intermediary.

3. It is understood that the Intermediary will no longer be able to make claims for reduction or exemption from withholding tax with respect to a country on the attached list if the competent authority of that country determines that the Intermediary is an Excluded Intermediary. The Intermediary hereby gives permission to the competent authority to disclose its status as an Excluded Intermediary to any person or to make such information publicly available.

4. I hereby certify that (except to the extent that the Intermediary is an Intermediary only by reason of being a Fiscally Transparent Entity) the Intermediary is subject to Know Your Customer Rules with respect to the Direct Account Holders for which claims will be made pursuant to this Declaration. The Intermediary agrees that it will not make a claim for a reduction or exemption from withholding tax with respect to an Account Holder if it knows or should have known that the corresponding Investor Self-Declaration is unreliable or incorrect. The Intermediary acknowledges that it may be held liable for any tax that is under-withheld as a result of an incorrect Investor Self-Declaration provided by the Intermediary to a Recipient.

5. I authorise the Recipient to provide, directly or indirectly, to any relevant tax authorities a copy of this form and to disclose to such tax authorities any additional information that the Recipient may have in its possession that is relevant to determining whether any Investor that holds through the Recipient qualifies for any benefits claimed on the basis of the Investor Self-Declarations, Intermediary Declarations or other information provided pursuant to Paragraph 2. I further agree that the Intermediary shall provide directly to any such tax authorities such information that the Intermediary may have in its possession that is relevant to determining whether any Investor that holds through the Intermediary qualifies for any such benefits claimed.

6. I also authorise the Recipient to provide, directly or indirectly, a copy of this form to any person that has control, receipt, or custody of income to which this form relates or any person that can disburse or make payments of income to which this form relates.

7. If the Recipient determines that an amount that should have been withheld from a previous payment made for the account of an Investor has not been withheld (or the amount withheld was too low), I authorise the Recipient to take such action as may be necessary to remedy the shortfall, including increasing the withholding from future payments made to the Investor, arranging covering payment from the Intermediary for the Investor or, if necessary, satisfying the obligation out of property that it holds for the Investor.

8. The Intermediary undertakes to advise the Recipient promptly of any change in circumstances which causes the information contained herein to become incorrect and to provide the Recipient with a suitably updated Declaration within 30 days of such change in circumstances.

On behalf of the Intermediary, I declare that all statements made in this declaration are, to the best of my knowledge and belief, correct and complete.

Signature

Date

Name of Signatory in block capitals or type

Position with respect to Intermediary

**LIST OF COUNTRIES WITH AN AUTHORISED INTERMEDIARY SYSTEM
WITH RESPECT TO WHICH THE CONTRACTUAL INTERMEDIARY
IS NOT ACTING AS AN
AUTHORISED INTERMEDIARY WITH RESPECT TO THE LISTED ACCOUNTS**

[]
[]
[]

INSTRUCTIONS

For purposes of the Declaration, undefined terms shall have the meaning given to them in the specified procedures regarding the operation of an Intermediary as an Authorised Intermediary, setting out the specific obligations regarding documentation, information reporting and compliance undertaken by an Authorised Intermediary in connection with entering into the agreements with the countries in the attached list, which document appears as Appendix B to each of the agreements found at [insert appropriate references to procedures as promulgated by relevant source countries] with respect to such countries.

**ANNUAL INFORMATION REPORT BY AN AUTHORISED INTERMEDIARY WITH RESPECT
TO REPORTABLE PAYMENTS MADE, DIRECTLY OR INDIRECTLY THROUGH
CONTRACTUAL INTERMEDIARIES, TO AN INVESTOR**

Information regarding the Authorised Intermediary:

Name of Intermediary: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
AIIN for Source Country: _____

Information regarding the Investor Payee:

Name of Investor: _____
Investor is of the following type (in its country of residence): Individual Body Corporate
 Government (including central bank of issue, agency or instrumentality) International
Organisation Pension Fund Charity Collective Investment Vehicle Partnership (other than
a collective investment vehicle) Trust (other than a collective investment vehicle, charity or pension
fund) Estate Other (please describe) _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Residence Country Taxpayer Identification Number (if any): _____
(For Individuals)
Place of Birth: _____ Date of Birth: _____
(For Investors other than Individuals)
Place of Incorporation/Organisation: _____
Date of Incorporation/Organisation: _____

Information regarding Reportable Payments:

Type of Payment: _____ Date of Payment: _____
(interest, dividend, etc.)
Issuer of Security: _____
Security Number: _____
Gross Amount of Payment (in currency of source country): _____
Tax Rate applied to Payment: _____
Amount of Tax Withheld by Authorised Intermediary: _____
Amount of Tax Withheld by Withholding Agent, if different: _____
(If Applicable for Collective Investment Vehicles, Partnerships, Trusts and Estates)
Proportion of Payment Entitled to Reduced Rate of Withholding _____
(If Applicable for a Widely-Held Collective Investment Vehicle)
Method Used to Determine Proportion of Payment Entitled to Reduced Rate of Withholding Quarterly
Determinations Sales Restrictions/Investor Restriction Sales Restrictions/Geographic Restriction
 Sales Restrictions/Preferential Rate Restriction Tracing

[Information repeated with respect to additional Reportable Payments paid to Investor]

Information regarding any Contractual Intermediary to which the Investor Provided an Investor Self-Declaration:

Name of Intermediary: _____

Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Taxpayer Identification Number (if any) in Country of Residence: _____

Information regarding any other Contractual Intermediary through which the Authorised Intermediary received the Investor's Investor Self-Declaration:

Name of Intermediary: _____

Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

Country of Residence for Tax Purposes: _____

Taxpayer Identification Number (if any) in Country of Residence: _____

[Information repeated as necessary to reflect tiered structures]

**ANNUAL INFORMATION REPORT BY AN AUTHORISED INTERMEDIARY WITH RESPECT
TO REPORTABLE PAYMENTS MADE, DIRECTLY OR INDIRECTLY THROUGH
CONTRACTUAL INTERMEDIARIES, TO AN AUTHORISED INTERMEDIARY**

Information regarding the Authorised Intermediary Payor:

Name of Intermediary: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
AIIN for Source Country: _____

Information regarding the Authorised Intermediary Payee:

Name of Intermediary: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
AIIN for Source Country: _____

Information regarding Reportable Payments:

Type of Payment: _____ Date of Payment: _____
(interest, dividend, etc.)
Issuer of Security: _____
Security Number: _____
Gross Amount of Payment (in currency of source country): _____
Tax Rate applied to Payment: _____
Amount of Tax Withheld by Authorised Intermediary Payor: _____
Amount of Tax Withheld by Withholding Agent, if different: _____

[Information repeated with respect to additional Reportable Payments paid to Intermediary]

YEAR-END SUMMARY OF COVERED PAYMENTS

Information regarding the Authorised Intermediary:

Name of Intermediary: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
AIIIN for Source Country: _____

Information regarding Aggregate Covered Payments:

Gross Amount of Covered Payments for Which Tax Rate Information was Provided to Payors: _____

Gross Amount of Reportable Payments paid to Residents of the Source Country: _____

Gross Amount of Reportable Payments for which a Reduction of or Exemption from Withholding was Claimed: _____

Gross Amount of Covered Payments that are not Reportable Payments: _____

Total Reportable Payments Paid to other Authorised Intermediaries and Reported to Competent Authority _____

Total Reportable Payments Paid to Investors that are not Authorised Intermediaries and Reported to Competent Authority: _____

Aggregate Tax Withheld by Authorised Intermediary as Reported to Competent Authority: _____

Aggregate Tax Withheld by Withholding Agents, if different, as Reported to Competent Authority: _____

Covered Payments for which Increased Withholding is Required and for which Adjustment Has Not Been Made in Accordance with Section VI.A of the Procedures:

Type of Payment: _____ Date of Payment: _____
(interest, dividends, etc.)

Issuer of Security: _____

Security Number: _____

(If Increased Withholding relates to a Specific Investor)

Name of Investor: _____

Residence Country Taxpayer Identification Number: _____

Gross Amount of Payment (in currency of source country): _____

Tax Rate applied to Payment: _____ Tax Rate for which Payment Eligible: _____

Amount of Tax Withheld by Authorised Intermediary: _____

Amount of Tax Withheld by Withholding Agent (if different): _____

Amount of Additional Tax to be Paid: _____

[Information repeated with respect to additional Covered Payments for which increased withholding is required]

Total Amount of Additional Tax to be Paid: _____

Covered Payments Entitled to Reduced Withholding and for which Adjustment Has Not Been Made in Accordance with Section VI.A of the Procedures and for which Claim for Refund Has Not Been Made:

Type of Payment: _____ Date of Payment: _____
(interest, dividends, etc.)

Issuer of Security: _____

Security Number: _____

(If Refund relates to a Specific Investor)

Name of Investor: _____

Residence Country Taxpayer Identification Number: _____

Gross Amount of Payment (in currency of source country): _____

Tax Rate applied to Payment: _____ Tax Rate for which Payment Eligible: _____

Amount of Tax Withheld by Authorised Intermediary: _____

Amount of Tax Withheld by Withholding Agent (if different): _____

Amount of Tax to be Refunded: _____

[Information repeated with respect to additional Covered Payments for which refund is claimed]

Total Amount of Tax to be Refunded: _____

Net Additional Tax to be [] Paid: _____ or [] Refunded: _____

Refund Payment Details:

Name of Account Holder: _____

Account Number: _____

IBAN code (Euro payments only): _____

Branch Code/Routing Number: _____

Bank Name: _____

Bank Address: _____

City: _____ Province, State or Locality: _____

Country: _____ Postal Code: _____

SWIFT/BIC Code: _____

**CLAIM FOR REFUND
BY AN AUTHORISED INTERMEDIARY
WITH RESPECT TO REPORTABLE PAYMENTS**

I hereby certify that the Authorised Intermediary described below has been authorised by the Investor whose details are set out below to claim a refund of taxes with respect to the payments listed. Attached is a copy of the authorisation from the Investor or any specific authorisation or power of attorney required by the Source Country.

Information regarding the Authorised Intermediary:

Name of Intermediary: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
AIIN: _____
Name of Person to be Contacted regarding this Claim: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Telephone: _____ Fax: _____ e-mail: _____
Claim Reference: _____

Information regarding the Investor:

Name of Investor: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Residence Country Taxpayer Identification Number (if any): _____
(For Individuals)
Place of Birth: _____ Date of Birth: _____
(For Investors other than Individuals)
Type of Investor (in its country of residence): Individual Body Corporate Government
(including central bank of issue, agency or instrumentality) International Organisation Pension
Fund Charity Collective Investment Vehicle Partnership (other than a collective investment
vehicle) Trust (other than a collective investment vehicle, charity or pension fund) Estate Other
(please describe) _____
Place of Incorporation/Organisation: _____
Date of Incorporation/Organisation: _____
(If Applicable for Collective Investment Vehicles, Partnerships, Trusts and Estates)
Proportion of Payment Entitled to Reduced Rate of Withholding
(If Applicable for a Widely-Held Collective Investment Vehicle)
Method Used to Determine Proportion of Payment Entitled to Reduced Rate of Withholding Quarterly
Determinations Sales Restrictions/Investor Restriction Sales Restrictions/Geographic Restriction
 Sales Restrictions/Preferential Rate Restriction Tracing

Information regarding Reportable Payments:

Type of Payment: _____ Date of Payment: _____
(interest, dividends, etc.)
Issuer of Security: _____
Security Number: _____
Gross Amount of Payment (in currency of source country): _____
Tax Rate applied to Payment: _____ Tax Rate for which Investor Eligible: _____
Amount of Tax Withheld by Authorised Intermediary: _____
Amount of Tax Withheld by Withholding Agent (if different): _____
Amount of Tax to be Refunded: _____

[Information repeated with respect to additional Reportable Payments for which refund is claimed]

Total Amount of Tax to be Refunded with respect to all Reportable Payments listed above: _____

Information regarding any Contractual Intermediary to which the Investor Provided an Investor Self-Declaration:

Name of Intermediary: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Country of Residence for Tax Purposes: _____
Taxpayer Identification Number (if any) in Country of Residence: _____

Information regarding any other Contractual Intermediary through which the Authorised Intermediary received the Investor's Investor Self-Declaration:

Name of Intermediary: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Country of Residence for Tax Purposes: _____
Taxpayer Identification Number (if any) in Country of Residence: _____

[Information repeated as necessary to reflect tiered structures]

Refund Payment Details:

Name of Account Holder: _____
Account Number: _____
IBAN code (Euro payments only): _____
Branch Code/Routing Number: _____
Bank Name: _____
Bank Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
SWIFT/BIC Code: _____
Claim Reference: _____

On behalf of the Authorised Intermediary, I declare that all statements made in this request are, to the best of my knowledge and belief, correct and complete.

Signature

Date

Name of Signatory in block capitals or type

Position with respect to Authorised Intermediary

**OPTIONAL NOTIFICATION FROM THE COMPETENT AUTHORITY
TO AN AUTHORISED INTERMEDIARY
THAT A REFUND HAS BEEN PAID**

Name of Person at Authorised Intermediary designated as the Contact Person regarding the Claim:

Name of Authorised Intermediary: _____
AIIN: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Telephone: _____ Fax: _____ e-mail: _____
Claim Reference: _____

This notification confirms that a refund with respect to the referenced Claim relating to the listed Reportable Payments made to the named Investor has been paid to the account stated.

Payment of the refund was made on: _____.

Refund Payment Details:

Name of Account Holder: _____
Account Number: _____
IBAN code (Euro payments only): _____
Branch Code/Routing Number: _____
Bank Name: _____
Bank Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
SWIFT/BIC Code: _____
Claim Reference: _____

(If Permitted by Applicable Rules regarding Confidentiality of Taxpayer Information)

Information regarding the Investor:

Name of Investor: _____
Address: _____
City: _____ Province, State or Locality: _____
Country: _____ Postal Code: _____
Residence Country Taxpayer Identification Number (if any): _____

Information regarding Reportable Payments:

Type of Payment: _____ Date of Payment: _____
(interest, dividends, etc.)
Issuer of Security: _____
Security Number: _____

Gross Amount of Payment (in currency of source country): _____
Tax Rate applied to Payment: _____ Amount of Tax Withheld: _____
Amount of Tax Refunded: _____

[Information repeated with respect to additional Reportable Payments for which refund is paid]

Total Amount of Tax Refunded with respect to all Reportable Payments listed above: _____

ANNEX 2:

PROCEDURES FOR INDEPENDENT REVIEWERS

I. PURPOSE OF THE GUIDANCE.

This document provides a framework for the Independent Reviewer's Report required by Paragraph VII.B.2 of the Procedures Regarding the Operation of a Financial Intermediary as an Authorised Intermediary (the "Procedures") set out in Appendix B to an agreement (the "Agreement") with the taxing authorities of the Source Country. In order to prepare the Independent Reviewer's Report described herein, the Independent Reviewer will follow the procedures and make the reports described in the detailed guidance for Independent Reviewers in Annex 3 to Appendix B. Terms not defined herein shall be defined in accordance with the Procedures. The guidance in this Annex 2 to Appendix B forms part of the Agreement and is subject to the specific undertakings contained therein.

II. OBLIGATIONS OF THE INDEPENDENT REVIEWER.

(A) In General. The purpose of the Independent Reviewer's Report is fact-finding with respect to the AI's compliance with the Procedures. In particular, it is intended to provide the Source Country with information regarding the extent to which, with respect to Covered Payments made through the AI:

- (1) if a reduction or exemption from withholding tax has been claimed with respect to a certain amount of a payment, the relevant amount of the payment in fact flows to the person on whose behalf benefits have been claimed; and
- (2) those who are claiming such benefits are in fact eligible for the claimed benefits.

(B) Standard Review to Focus on Processing. To verify the extent of the AI's compliance with the Agreement, the Independent Reviewer's Report will focus on the AI's processing of Covered Payments, including the application of tax withholding in accordance with Paragraph 6 of the Agreement and the documentation secured under Section V of the Procedures and information reporting in accordance with Section VII. Thus, the Report will provide the results of the Independent Reviewer's review of:

- (1) the reconciliation between a random sample of Covered Payments made to the AI and the Account Holders receiving Covered Payments, in accordance with Section III below;
- (2) the extent to which the AI has complied with the requirements of Section V of the Procedures with respect to procuring the Investor Self-Declarations and Intermediary Declarations and other tax rate/allocation information supporting the claims with respect to the Account Holders (or a random sample thereof) receiving the Reportable Payments falling under Subparagraph 1 and determining whether the AI has any information that indicates that the information provided in such Declarations is unreliable or incorrect, in accordance with Section IV below; and
- (3) the annual information report filed by the AI with respect to the Account Holders described in Subparagraph 2, in accordance with Section V below.

(C) Potential Supplementary Review. If, after receiving the results of the standard review conducted by the Independent Reviewer, a Competent Authority has reasonable concerns regarding the AI's compliance with the Agreement and the Procedures, the Competent Authority may require the AI to provide supplementary information in accordance with Section VI. Such supplementary information may consist of:

- (1) the results of the Independent Reviewer performing the procedures described in Sections III-V with respect to a greater number of payments or accounts; and/or
- (2) details of the AI's controls and procedures.

The purpose of such a supplementary review is to identify the underlying causes of any deficiencies in the AI's compliance with the Agreement and to determine whether corrective action readily can be devised. For example, the standard review may show that the Independent Reviewer determined that the AI had based its Tax Rate Information on Investor Self-Declarations that were inconsistent with other information in client records indicating that the relevant Account Holders were not in fact resident for tax purposes in the countries claimed. Through discussion with the AI and the Independent Reviewer, the Competent Authority may then determine that the problem was attributable to deficient account-opening procedures in one of the AI's branches. The AI would then be expected to take the steps necessary to ensure that the branch had appropriately corrected procedures for opening new accounts.

III. REVIEWING THE RECONCILIATION PROCESS.

(A) In General. The Independent Reviewer would track a number of sample Covered Payments received by the AI, selected in accordance with Paragraph B below, from receipt by the AI to division and crediting to the underlying accounts in accordance with Paragraph C below. This process would involve:

- (1) Obtaining evidence of the receipt of each sample Covered Payment;
- (2) Obtaining a list of the destination accounts and the corresponding Account Holders for the Covered Payment, together with a statement of the amount of the Covered Payment credited to each such destination account; and
- (3) Determining that the aggregate amounts in Subparagraph (2) total the amount of the sample Covered Payment received by the AI.

The Independent Reviewer will note in the Independent Reviewer's Report the number of instances and the circumstances surrounding any differences in the aggregate amounts in Subparagraph (1) and Subparagraph (3). The Independent Reviewer will report whether any such difference is a result of a payment awaiting reconciliation.

(B) Selection of Sample Payments. The Independent Reviewer will select for review in accordance with Paragraph A a random sample of Covered Payments to be reviewed. Such random sample shall include at least one payment arising in each country with respect to which the AI acts as an Authorised Intermediary in accordance with the Procedures. Alternatively, each such source country may identify no more than two payments to be reviewed by the Independent Reviewer by notification no later than 60 days after receiving the annual information report required by Section VII of the Procedures. Sample Covered Payments should be limited to those distributions that generate Reportable Payments.

IV. REVIEWING SUPPORTING DOCUMENTATION.

(A) In General. The Independent Reviewer will review a random sample of customer accounts, selected in accordance with Paragraph B below, to determine whether the AI has received valid Investor Self-Declarations and Intermediary Declarations with respect to the corresponding customer accounts. With respect to Account Holders that are Investors, the Independent Reviewer will review the Investor Self-Declarations and other customer information in accordance with Paragraph C below. With respect to payments to other Intermediaries, the Independent Reviewer will review the information provided by the Intermediaries in accordance with Paragraph D below.

(B) Selection of Customer Accounts. With respect to the Covered Payments selected in accordance with Section III, the Independent Reviewer will select a random sample of the accounts held by the AI's Direct and Indirect Account Holders (the "Accounts") that have received the Covered Payments and with respect to which the payments are Reportable Payments.

(C) Account Holders that are Investors. With respect to Direct Account Holders and Indirect Account Holders that are Investors, the Independent Reviewer will review the Investor Self-Declarations corresponding to those Account Holders. The Independent Reviewer will determine whether the Investor Self-Declarations are complete and internally consistent and support the rate of tax withheld. The Independent Reviewer will also review other information in the AI's records relating to the Account Holder to determine whether there is any information contained in such records that would suggest that the Investor Self-Declaration is unreliable or incorrect under the standards set out in Paragraph V.B of the Procedures. The Independent Reviewer will note in the Independent Reviewer's Report the number of instances and the circumstances surrounding Investor Self-Declarations that have been reviewed and that do not meet the requirements of Sections IV and V of the Procedures.

(D) Account Holders that are Intermediaries. With respect to Account Holders that are Intermediaries, the Independent Reviewer will review the Intermediary Declaration provided by each such Intermediary. It will also determine whether each such Intermediary is, or was at the time it received a Reportable Payment from the AI, an Excluded Intermediary. With respect to Account Holders that are Authorised Intermediaries, the Independent Reviewer will also review the Tax Rate Information provided by the Authorised Intermediary to determine whether it supports the amount of the payment made to the Authorised Intermediary. With respect to Contractual Intermediaries, the Independent Reviewer will also review the allocation information provided by the Intermediary to ensure that it provides the information necessary for the AI to match the distribution to the underlying Account Holders. The Independent Reviewer will note in the Independent Reviewer's Report the instances in which information provided by Intermediaries that has been reviewed does not meet the requirements of Sections IV and V of the Procedures.

V. REVIEWING INFORMATION REPORTING.

With respect to each of the customer accounts reviewed under Section IV, the Independent Reviewer will review the information reports filed in accordance with Section VII of the Procedures. In particular, the Independent Reviewer will review the payee details and details of the Reportable Payments, including the rate of withholding tax applied, with respect to the sample Covered Payment. The Independent Reviewer will note in the Independent Reviewer's Report any inconsistencies between the information reports and any other information relating to the relevant customer, payment or tax withheld.

VI. SUPPLEMENTARY REVIEW.

(A) **In General.** If, after receiving the results of the standard review conducted by the Independent Reviewer, a Competent Authority has reasonable concerns regarding the AI's compliance with the Agreement and the Procedures, the Competent Authority may require the AI to provide supplementary information.

(B) **Expanded Samples.** After reviewing the Independent Reviewer's Report relating to the standard review conducted in accordance with Sections III-V, the Competent Authority may determine that additional fact finding is necessary in order to determine whether any deficiencies are widespread and the source of any deficiencies. In order to do so, the Competent Authority may direct the Independent Reviewer to complete a review of additional payments, accounts or reports. The Competent Authority may specify which payments, accounts or reports are to be reviewed, or allow the Independent Reviewer to select a larger random sample to review. The results of such supplementary review shall be reported to the Competent Authority in the same form as set out in Sections III-V.

(C) **Controls and Procedures.** The Competent Authority may, in addition to or instead of the review of expanded samples under Paragraph B, request that the Independent Reviewer review the AI's controls and procedures. In such a case, the Independent Reviewer generally will review the AI's procedures manual, other written materials and directives, other systems of controls and training with respect to each of the functions of reconciliation, documentation and information reporting. Such a systems review may be general in nature, relating to the entire AI, or it may focus on one or more branches or offices, depending on whether the initial processing review indicated a generalised or localised problem. The Competent Authority may also narrow the request for review by function, so that the Independent Reviewer will focus its review on only one or two of the functions of reconciliation, documentation and information reporting rather than all three. In connection with preparing its report, the Independent Reviewer must obtain factual statements from the AI in respect of each failure of procedures/controls and the remedial action that it has taken. These may be included in the report as a factual statement, footnoted or otherwise ["in relation to the above, the Independent Reviewer understands that..."].

ANNEX 3:

GUIDANCE FOR INDEPENDENT REVIEWERS OF AUTHORISED INTERMEDIARIES

The following guidance is provided for an Independent Reviewer engaged by an Authorised Intermediary (“AI”) to verify compliance with the agreements (the “Agreements”) pursuant to which it acts as an Authorised Intermediary with respect to one or more countries (each a “Source Country”). Under such agreements, the AI agrees to comply with certain procedures (the “Procedures”) regarding making claims for reductions or exemptions from withholding tax on a “pooled” basis and to provide, annually, investor-specific information regarding certain types of payments made to such investors. In Section VIII of the Procedures, the AI agrees to engage an Independent Reviewer to conduct a review to determine whether the AI is in compliance with the Agreements. The Independent Reviewer will conduct a single review in accordance with these procedures and provide its Independent Reviewer’s Report to each Source Country. In the Independent Reviewer’s Report, aggregate information regarding all of the payments and accounts reviewed will be provided to each Source Country; the Independent Reviewer will also provide such information as it relates to each Source Country in a separate annex that is provided only to that Source Country.

The Independent Reviewer will conduct the review and report the factual findings resulting from the work in accordance with the International Standard on Related Services 4400 “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” (previously ISA 920).

Terms used herein shall have the meaning given to them in the Procedures, as they may be modified by one or more Agreements.

I. STANDARD REVIEW

(A) Selection of Sample Payments.

The Independent Reviewer will select for review a random sample of Covered Payments. Such random sample will include at least one payment arising in each country with respect to which the AI acts as an Authorised Intermediary in accordance with the Procedures. Alternatively, each such Source Country may identify no more than 2 payments to be reviewed by the Independent Reviewer as part of the Standard Review by notification no later than 60 days after receiving the annual information report required by Section VII of the Procedures. Sample Covered Payments should be selected only if they generate Reportable Payments.

(B) Selection of Customer Accounts.

- (1) Sample Size. With respect to the Covered Payments selected in accordance with Section I, the Independent Reviewer will select a random sample of the accounts held by the AI’s Direct and Indirect Account Holders, other than Account Holders that hold through one or more Authorised Intermediaries that are also Account Holders with respect to the AI (the “Accounts”) to review in

accordance with this Section II. The Independent Reviewer will select from the Accounts a sample consisting of all the Accounts in receipt of the selected Covered Payments (the “Population”) or, if there are more than 100 Accounts in the Population, a random sample of 100 of such Accounts. If more than 50 Source Countries are covered by the Agreements, the Independent Reviewer shall increase the sample size so as to provide a 95 percent confidence level based on the number of Source Countries from which Covered Payments are received by the AI, using the following formula:

$$\text{Sample Size} = \frac{\frac{t^2 PQ}{d^2}}{1 + \frac{1}{N} \left(\frac{t^2 PQ}{d^2} - 1 \right)}$$

where $t = 1.645$ (confidence coefficient at 95 percent one-sided)

$P = 5$ percent (error rate)

$Q = 1 - P$

$d = 2$ percent (precision level)

$N =$ total population

(2) Division of Accounts into Groups. The Independent Reviewer must allocate the number of Accounts in the Population into the following groups:

- (a) The group of all Accounts held by the AI’s Direct Account Holders that are Investors;
- (b) The group of all Accounts held by the AI’s Direct Account Holders that are Intermediaries; and
- (c) The group of all Accounts held by the AI’s Indirect Account Holders that are Investors and that do not hold through one or more Authorised Intermediaries that are Account Holders of the AI.

(3) Determination of the Number of Accounts in the Sample to be Allocated to each Group. The Independent Reviewer must determine the number of Accounts in each group that will be reviewed by multiplying the number of Accounts in the Sample by a fraction, the numerator of which is the total number of Accounts in that group and the denominator of which is the total number of Accounts in the Population. The minimum allocation to each group is the lesser of (1) 25 Accounts or (2) the total number of Accounts in that group. If there are fewer than 25 Accounts in any group, all Accounts in that group must be reviewed and the difference between 25 and the number of Accounts in the group must be reallocated to the other groups pro rata. If

there are 25 or more Accounts in the group, but the allocation, as determined under the fraction above, is less than 25 Accounts, the number of Accounts in that group is 25 Accounts. In that case, the difference between 25 and the number of Accounts allocated to that group, as originally determined, must reduce the number of Accounts allocated to all other groups that exceed 25 Accounts on a pro rata basis.

- (4) Selection of Accounts from the Group. The Independent Reviewer must select the Accounts from each group by using a random number generator. Information regarding the random number generator used must be included in the records required in Paragraph 5 below. The Accounts selected for review should be limited to those Accounts that have received a Reportable Payment. Moreover, the Accounts to be reviewed are to include (1) a minimum of 2 Accounts that are in receipt of a Covered Payment from each Source Country and (2) where possible, at least one Account will be with respect to an Account Holder that is in receipt of a Covered Payment from the Source Country of which it is a resident and at least one Account will be with respect to an Account Holder that is not a resident of the Source Country with respect to that Covered Payment.
- (5) Records of Sampling Methodology. The Independent Reviewer is required to keep records of the methods used to generate the sample and to maintain the ability to reconstruct the sample if requested.

(C) Review of Reconciliation Process

- (1) Review of Process. In the Standard Review, the Independent Reviewer must:

Step 1: With respect to each Covered Payment selected in accordance with Section I(A), obtain:

- (a) The AI's records regarding receipt of the Covered Payment from the relevant Payor(s);
- (b) The AI's records of payments to its Direct Account Holders.

- (2) Report of Reconciliation Process. The Independent Reviewer must specifically report:

Report 1: The number of instances and the circumstances surrounding any differences between the aggregate amounts at Step 1(a) and at Step 1(b), including whether any such payment is still awaiting reconciliation.

(D) Review of Supporting Documentation

- (1) Review of Documentation Validity. In the Standard Review, and, if a Competent Authority so directs, in a Supplementary Review, the Independent Reviewer must:

Step 1: Identify all of the Accounts selected in accordance with Paragraph B that are held by Direct Account Holders.

Step 2: Sort the Accounts identified under Step 1 according to whether the account holder has provided the following types of documentation:

- (a) An Investor Self-Declaration – Individuals;

- (b) An Investor Self-Declaration – Entities;
- (c) An Intermediary Declaration – Authorised Intermediary;
- (d) An Intermediary Declaration – Contractual Intermediary;
- (e) No documentation.

Step 3: Investor Self-Declaration – Individuals

(a) For Accounts documented with an Investor Self-Declaration – Individuals, inspect the form. Determine that the following items have been completed and that items 1, 2, 5, 6 and 7 are consistent with each other:

- (1) Name of Investor;
- (2) Permanent Address;
- (3) Date of Birth and Place of Birth;
- (4) Account Numbers Covered by the Declaration;
- (5) Residence Country Certification and Residence Country Taxpayer Identification Number or Certification (paragraph 1);
- (6) Treaty Certification (paragraph 3);
- (7) Signature block; and
- (8) Date.

(i) Determine that the date of the relevant Covered Payment was within five full calendar years following the year of signature; and

(ii) Determine that the certifications, authorisations and undertakings in paragraphs 4 through 7, and the declaration, have not been modified.

(b) If the investor has provided an additional mailing address in a different country, or has completed paragraph 2(b), on the Investor Self-Declaration, the Independent Reviewer must determine whether the Investor Self-Declaration falls within any of the specific examples of Section V.B.2 of the Procedures and, if so, whether the AI has satisfied the additional requirements of that Section.

Step 4: Investor Self-Declaration – Entities

(a) For Accounts documented with Investor Self-Declaration – Entities, inspect the form. Determine that the following items have been completed and that items 1, 2, 3, 6, 7 and 9 are consistent with each other:

- (1) Name of Investor;

- (2) Statutory Address;
- (3) Place of Incorporation/Organisation;
- (4) Date of Incorporation/Organisation;
- (5) Account Numbers Covered by the Declaration;
- (6) Residence Country Certification and Residence Country Taxpayer Identification Number or Certification (paragraph 1);
- (7) Treaty Certification (paragraph 3);
- (8) Entity Type (paragraph 4);
- (9) Signature block; and
- (10) Date.

(i) Unless the investor completed paragraph 5 or 6, determine that the date of the relevant Covered Payment was within five full calendar years following the year of signature; and

(ii) Determine that the certifications, authorisations and undertakings in paragraphs 10 through 13, and the declaration, have not been modified.

(b) If the investor has provided an additional mailing address in a different country, or has completed paragraph 2(b), on the Investor Self-Declaration, the Independent Reviewer must determine whether the Investor Self-Declaration falls within any of the specific examples of Section V.B.2 of the Procedures and, if so, whether the AI has satisfied the additional requirements of that Section.

(c) If any of paragraph 5, 6, 7 or 8 has been completed, the Independent Reviewer must determine whether the relevant item or items are consistent with the Entity Type designated in paragraph 4.

(d) If Attachment A or B has been provided, the Independent Reviewer must determine whether paragraph 7 or 8 has been completed and whether identifying information on the Attachment is consistent with the items listed in (a).

Step 5: Intermediary Declaration – Authorised Intermediary

(a) For Accounts documented with Intermediary Declaration – Authorised Intermediary, inspect the form. Determine that the following items have been completed:

- (1) Name of Intermediary;
- (2) Address;
- (3) Account Numbers Covered by the Declaration;

(4) Signature block; and

(5) Date.

(i) Determine that the certifications, authorisations and undertakings in paragraphs 1 through 5, and the declaration, have not been modified.

(b) Inspect the chart of Source Countries and AIINs to determine whether each of the Source Countries with respect to which the Independent Review is being conducted is listed. If not, determine whether an Intermediary Declaration – Contractual Intermediary has been provided with respect to that Source Country and, if so, perform the procedures in Step 6 with respect to income arising in those Source Countries. Determine whether an AIIN has been provided with respect to each Source Country included in the chart. If the Covered Payment is not a payment of dividends or interest, determine whether the chart indicates that the definition of a covered payment has been modified with respect to that Authorised Intermediary and whether the payment is consistent with the modified definition.

Step 6: Intermediary Declaration – Contractual Intermediary

(a) For Accounts documented with Intermediary Declaration – Contractual Intermediary, inspect the form. Determine that the following items have been completed and are consistent with each other:

(1) Name of Intermediary;

(2) Address;

(3) Account Numbers Covered by the Declaration;

(4) Residence Country Certification and Residence Country Taxpayer Identification Number or Certification (paragraph 1);

(5) Signature block; and

(6) Date.

(i) Determine that the certifications, authorisations and undertakings in paragraphs 2 through 8, and the declaration, have not been modified.

(b) Inspect the list of Source Countries to determine whether each of the Source Countries with respect to which the Independent Review is being conducted is listed. If not, determine whether an Intermediary Declaration – Authorised Intermediary has been provided with respect to that Source Country and, if so, perform the procedures in Step 5 with respect to income arising in those Source Countries.

Step 7: For each account determined to be documented under Steps 3 and 4, examine the most recently updated information for the year being reviewed drawn from the account opening statement, and other account documents or memoranda and any correspondence associated with the account (for purposes of this section, “the account holder’s file”). Determine:

(a) Whether the identifying information in the Investor Self-Declaration matches the most current identifying information in the account holder's file (taking into account any information that links the identifying information in the documentation to the identifying information in the account holder's file);

(b) Whether the account holder's file shows a residence address or mailing address in a country that is not listed in the Investor Self-Declaration. If so, the Independent Reviewer must determine whether the Investor Self-Declaration falls within any of the specific examples of Section V.B.2 of the Procedures and, if so, whether the AI has satisfied the additional requirements of that Section.

Step 8: For each account determined to be documented under Steps 5 and 6:

(a) Examine the most recently updated information for the year being reviewed drawn from the account holder's file. Determine whether the identifying information in the Intermediary Declaration matches the most current identifying information in the account holder's file (taking into account any information that links the identifying information in the documentation to the identifying information in the account holder's file); and

(b) Determine whether the Intermediary was an Unreliable Intermediary with respect to the relevant Source Country for the period under review.

Step 9: Include in the category of Accounts with no documentation:

(a) All Accounts that are not documented with one of the forms listed in (a) to (d) of Step 2; and

(b) Those Accounts that are documented with such forms that are inadequate after applying Steps 7 and 8.

Step 10: (a) Identify all of the Accounts selected in accordance with Paragraph B that are held by Indirect Account Holders of the AI (unless such an Indirect Account Holder holds through another Authorised Intermediary that is an Account Holder of the AI).

(b) Inspect the documentation for each Indirect Account Holder identified in Step 10(a) by performing the procedures in Steps 2 through 9.

(2) Documentation Validity Report. The Independent Reviewer must specifically report:

Report 1: The number of Accounts identified or selected under Step 1.

Report 2: The number of Accounts in each of the categories in Step 2(a) through (e).

Report 3: (a) The number of Investor Self-Declarations inspected under Step 3(a) and the number of such Investor Self-Declarations that did not satisfy the criteria under that Step.

(b) Any explanations provided by the AI in respect of Investor Self-Declarations reported in Report 3(a).

- Report 4: The number of Investor Self-Declarations inspected under Step 3(b) and the number of Investor Self-Declarations that did not satisfy the criteria under that Step.
- Report 5: (a) The number of Investor Self-Declarations inspected under Step 4(a) and the number of such Investor Self-Declarations that did not satisfy the criteria under that Step.
- (b) Any explanations provided by the AI in respect of Investor Self-Declarations reported in Report 5(a).
- Report 6: The number of Investor Self-Declarations inspected under Step 4(b) and the number of such Investor Self-Declarations that did not satisfy the criteria under that Step.
- Report 7: The number of Investor Self-Declarations inspected under Step 4(c) and the number of such Investor Self-Declarations that did not satisfy the criteria under that Step.
- Report 8: The number of Investor Self-Declarations inspected under Step 4(d) and the number of such Investor Self-Declarations that did not satisfy the criteria under that Step.
- Report 9: The number of Intermediary Declarations inspected under Step 5(a) and the number of such Intermediary Declarations that did not satisfy the criteria under that Step.
- Report 10: The number of Intermediary Declarations inspected under Step 5(b) and the number of such Intermediary Declarations that did not satisfy the criteria under that Step.
- Report 11: The number of Intermediary Declarations inspected under Step 6(a) and the number of such Intermediary Declarations that did not satisfy the criteria under that Step.
- Report 12: The number of Intermediary Declarations inspected under Step 6(b) and the number of such Intermediary Declarations that did not satisfy the criteria under that Step.
- Report 13: The number of Accounts:
- (a) That did not satisfy the criteria of Step 7(a); and
- (b) Described in Step 7(b) and the number of Accounts that did not satisfy the additional criteria of that Step.
- Report 14: The number of Accounts described in each of (a) and (b) of Step 8.
- Report 15: The number of Accounts described in each of (a) and (b) of Step 9.
- Report 16: The Independent Reviewer must complete Reports 2 through 15 with respect to each of the Accounts that were identified in Step 10 as held by Indirect Account Holders of the AI (unless such an Indirect Account Holder holds through another Authorised Intermediary that is an Account Holder of the AI) as if the Indirect Account Holder were a Direct Account Holder.

(E) Review of Withholding Rate Determination

(1) Review of Withholding Rates. In the Standard Review, and, if a Competent Authority so directs, in a Supplementary Review, the Independent Reviewer must, with respect to each Covered Payment being reviewed:

Step 1: With respect to the Accounts identified in Paragraph D, segregate those Accounts for which the Direct Account Holder is an Intermediary.

Step 2: With respect to the Accounts identified in Paragraph D for which the Direct Account Holder is an Investor, review the documentation for the account (after the procedures under Review of Documentation have been performed) and determine the withholding rate in accordance with the relevant Agreement with the Source Country.

Step 3: For each account, determine the amount (if any) by which the amount of withholding determined under Step 2 exceeds the amount withheld from the Covered Payment as of 31 December of the year being reviewed.

Step 4: For each account, make adjustments to the under-withholding (if any) determined under Step 3 to the extent necessary to reflect the correct amount of under-withholding (e.g. an adjustment to reflect amounts of tax reported and paid with the AI's Year-End Summary of Covered Payments).

Step 5: With respect to the Accounts segregated in Step 1, identify those Accounts for which the Direct Account Holder is an Authorised Intermediary.

Step 6: For each of the Accounts identified in Step 5, review the Tax Rate Information provided by the Authorised Intermediary to the AI and determine whether the Covered Payment paid to the Authorised Intermediary Account Holder is consistent with the Tax Rate Information provided by the Authorised Intermediary Account Holder.

Step 7: (a) With respect to the Accounts segregated in Step 1 that are not identified in Step 5, identify each Indirect Account Holder of the AI that holds through one or more Contractual Intermediaries (unless such an Indirect Account Holder holds through another Authorised Intermediary that is an Account Holder of the AI).

(b) With respect to each Account Holder described in (a), review the allocation information provided by each Contractual Intermediary to determine whether it satisfies Section IV.D.2 of the Procedures.

(c) Apply Steps 2 through 6 to each of the Indirect Account Holders identified in (a) as if that Indirect Account Holder were a Direct Account Holder.

(2) Report of Withholding Rate Determination. The Independent Reviewer must report:

Report 1: The amount of under-withholding for each account examined in Step 2.

Report 2: (a) Each adjustment made under Step 4 to the amount of under-withholding for each account.

(b) Any explanations provided by the AI in respect of adjustments reported in Report 2(a).

- Report 3: Any inconsistency identified under Step 6 between the Tax Rate Information reviewed and the amount of the payment to the Authorised Intermediary Account Holder.
- Report 4: Any deficiency in the allocation information provided by a Contractual Intermediary under Step 7(b).
- Report 5: The amount of under-withholding for each Indirect Account Holder examined under Step 7(c).
- Report 6: (a) Each adjustment made under Step 7(c) to the amount of under-withholding for an account.
(b) Any explanations provided by the AI in respect of adjustments reported in Report 6(a).

(F) Review of Information Reporting

- (1) Information Reporting Review. In the Standard Review, and, if a Competent Authority so directs, in a Supplementary Review, the Independent Reviewer must, with respect to each Covered Payment being reviewed:

- Step 1: With respect to the Accounts identified in Paragraph D, segregate those Accounts for which the Direct Account Holder is an Intermediary.
- Step 2: With respect to each account identified in Paragraph D for which the Direct Account Holder is an Investor, obtain copies of:
- (a) the Investor Self-Declaration provided by the Account Holder; and
- (b) the AI's records of payments to such account with respect to the selected Covered Payments.
- Step 3: With respect to each account identified in Paragraph D for which the Direct Account Holder is an Investor, obtain a copy of the Annual Information Report, if any, filed by the AI with the relevant Source Country Competent Authority.
- Step 4: Examine the investor information listed on the Annual Information Report in Step 3 to determine whether it is complete and consistent with the Investor Self-Declaration in Step 2(a).
- Step 5: Examine the information listed on the Annual Information Report in Step 3 regarding the Reportable Payment to determine whether it is complete and consistent with the AI's records of payments in Step 2(b).
- Step 6: With respect to the Accounts segregated in Step 1, identify those Accounts for which the Direct Account Holder is an Authorised Intermediary.
- Step 7: With respect to each account identified in Step 6, obtain:
- (a) The Intermediary Declaration provided by that Authorised Intermediary;

(b) Tax Rate Information provided by the Account Holder with respect to the selected Covered Payments;

(c) The Annual Information Report with respect to the selected Covered Payments made to that Authorised Intermediary; and

(d) Information regarding the AI's payments to such account with respect to the selected Covered Payments.

Step 8: Examine the information regarding the Authorised Intermediary Payee listed on the Annual Information Report in Step 7(c) to determine whether it is complete and consistent with the Intermediary Declaration in Step 7(a).

Step 9: Examine the information regarding the Covered Payment listed on the Annual Information Report in Step 7(c) to determine whether it is complete and consistent with the AI's records of payments in Step 7(d).

Step 10: With respect to the Accounts segregated in Step 1 that are not identified in Step 6, identify each Indirect Account Holder that holds through one or more Contractual Intermediaries (unless such an Indirect Account Holder holds through another Authorised Intermediary that is an Account Holder of the AI).

Step 11: With respect to each account identified in Step 10, obtain copies of:

(a) the Investor Self-Declaration provided by the Account Holder if the Account Holder is an Investor;

(b) the Intermediary Declaration provided by the Account Holder if the Account Holder is an Authorised Intermediary

(c) the Intermediary Declaration provided by each Contractual Intermediary through which the Account Holder holds its Accounts relating to the selected Covered Payments; and

(d) the allocation information with respect to the selected Covered Payments provided by each Contractual Intermediary through which the Account Holder holds its Accounts.

Step 12: Apply Steps 3 through 9 to each Indirect Account Holder identified in Step 10 as if that Indirect Account Holder were a Direct Account Holder.

Step 13: With respect to the Indirect Account Holders identified in Step 10, examine the information on the Annual Information Report regarding the Contractual Intermediary to which the Investor provided an Investor Self-Declaration and any other Contractual Intermediaries through which the Covered Payment was made to determine whether the information regarding each such Contractual Intermediary is complete and consistent with the Investor Self-Declaration, the Intermediary Declarations in Step 11(c) and the allocation information in Step 11(d).

(2) Information Reporting Report. The Independent Reviewer must report:

- Report 1: The number of Accounts identified or selected in Step 1.
- Report 2: The number of Reportable Payments identified under Step 3 for which Annual Information Reports were not filed by the AI.
- Report 3: The number of Annual Information Reports inspected under Step 4 and the number of such Annual Information Reports that did not satisfy the criteria under that Step.
- Report 4: The number of Annual Information Reports inspected under Step 5 and the number of such Annual Information Reports that did not satisfy the criteria under that Step.
- Report 5: The number of Accounts identified in Step 6.
- Report 6: The number of Annual Information Reports inspected under Step 8 and the number of such Annual Information Reports that did not satisfy the criteria under that Step.
- Report 7: The number of Annual Information Reports inspected under Step 9 and the number of such Annual Information Reports that did not satisfy the criteria under that Step.
- Report 8: The number of Accounts identified in Step 10.
- Report 9: The Independent Reviewer must complete Reports 2 through 7 with respect to each Indirect Account Holder identified in Step 10 as if the Indirect Account Holder were a Direct Account Holder.
- Report 10: The number of Annual Information Reports inspected under Step 13 and the number of such Annual Information Reports that did not satisfy the criteria under that Step.

(G) Review of Deposits

- (1) Review of Timely Deposits. If the AI has taken on primary withholding responsibilities with respect to any selected Covered Payment, in the Standard Review the Independent Reviewer must:

- Step 1: Obtain the AI's records of the selected Covered Payments, the AI's Year-End Summary of Covered Payments and the AI's records of tax deposits.
- Step 2: Determine that the dates and amounts of deposits in respect of the selected Covered Payments were consistent with the applicable deposit requirements in the relevant Source Country.

- (2) Timely Deposit Report. The Independent Reviewer must report:

- Report 1: Any deposits that were inconsistent with applicable deposit requirements.

(H) Knowledge of KYC Investigations

- (1) Questioning KYC Investigations. In the Standard Review, the Independent Reviewer must:

- Step 1: Obtain a letter signed by a senior officer of the AI, and by the AI's legal counsel, stating whether either is aware that the AI is in material violation or is under investigation for

violation of any of the Know Your Customer Rules applicable to any Offices of the AI that act as Authorised Intermediaries.

(2) KYC Investigations Report. The Independent Reviewer must specifically:

Report 1: Report whether, based on the information in the letter described in Step 1 and on its own information, the Independent Reviewer is aware of any such material violations or investigations and, if so, identify them.

Report 2: Include in its report a summary of the letter described in Step 1.

(I) Change in Circumstances

(1) Questioning Change in Circumstances. In the Standard Review, the Independent Reviewer must:

Step 1: Obtain a letter signed by a senior officer of the AI, and by the AI's legal counsel, stating:

(a) Whether there has been an acquisition of all, or substantially all, of the AI's assets in any transaction unless, in the case of a merger, the AI is the surviving legal;

(b) Whether there has been any change in any applicable law or policy that affects the validity of any representation made by the AI in its applications to become an Authorised Intermediary with respect to each Source Country, affects the validity of any provision of the Agreements, materially affects the procedures contained in the Procedures, or affects the AI's ability to perform its obligations under the Agreements and the Procedures;

(c) Whether there has been a final ruling of any court that affects the validity of any provision of the Agreement or the Procedures; or

(d) Any other significant change in the AI's circumstances that affects the AI's ability to meet its obligations under the Agreements and the Procedures.

(2) Change in Circumstances Report. The Independent Reviewer must report a change in circumstances by:

Report 1: Including a summary of the letter received under Step 1.

(J) Removal of Residents of the Source Country from AI-Designated Accounts

(1) Questioning Closed Accounts. In the Standard Review, the Independent Reviewer must:

Step 1: Identify all those Accounts identified in Section D.1.Step 1 that are held by residents of the Source Country in which the Covered Payment arises.

Step 2: Inspect the account records relating to the account to determine whether it was closed during the year being reviewed.

Step 3: With respect to any Accounts that were identified under Step 2 as having been closed, obtain a letter signed by a senior officer of the AI, and by the AI's legal counsel, stating whether, during the year being reviewed, any assets in that account have been transferred to another

account held by the same Account Holder with respect to which the AI is not acting in its capacity as an AI.

(2) **Closed Accounts Reports.** The Independent Reviewer must specifically report:

Report 1: The number of Accounts identified in Step 1 that were closed during the year being reviewed.

Report 2: A summary of the letter received under Step 3.

II. SUPPLEMENTARY REVIEW

If, after receiving the results of the Standard Review conducted by the Independent Reviewer, a Competent Authority has reasonable concerns regarding the AI's compliance with the Agreement and the Procedures, that Competent Authority may require a supplementary review in accordance with this Section.

(A) Expanded Samples

After reviewing the Independent Reviewer's Report relating to the Standard Review conducted in accordance with Section I, the Competent Authority may determine that additional fact finding is necessary in order to determine the source of any deficiencies and whether they are widespread. In order to do so, the Competent Authority may direct the AI to have the Independent Reviewer complete a review of additional payments, accounts or reports. The Competent Authority may specify which payments, accounts or reports are to be reviewed, or allow the Independent Reviewer to select a larger random sample to review. The results of such supplementary review shall be reported to the Competent Authority in the same form as set out in Paragraphs C through F of Section I.

(B) Controls and Procedures

The Competent Authority may, in addition to or instead of the review of expanded samples under paragraph A, request that the Independent Reviewer review the AI's controls and procedures. In such a case, the Independent Reviewer generally will review the AI's procedures manual, other written materials and directives, other systems of controls and training with respect to each of the functions of reconciliation, documentation and information reporting. Such a systems review may be general in nature, relating to the entire AI, or it may focus on one or more branches or offices, depending on whether the Standard Review indicated a generalised or localised problem. The Competent Authority may also narrow the request for review by function, so that the Independent Reviewer will focus its review on only one or two of the functions of reconciliation, documentation, withholding and information reporting rather than all four. In connection with preparing its report, the Independent Reviewer must obtain factual statements from the AI in respect of each failure of procedures/controls and the remedial action that it has taken. These may be included in the report as a factual statement, footnoted or otherwise ["in relation to the above, the AI comments that..."].

APPENDIX C:

ADDITIONAL PROCEDURES FOR AUTHORISED INTERMEDIARY THAT ASSUMES PRIMARY WITHHOLDING RESPONSIBILITIES

I. PURPOSE.

This document provides guidance (the “Additional Procedures”) regarding the procedures to be followed by an Authorised Intermediary (the “AI”) that has agreed, under an agreement (the “Agreement”) to which these procedures are appended as Appendix C, with the taxing authorities of the Source Country, to undertake primary withholding responsibilities with respect to certain payments arising in the Source Country. These Additional Procedures are in addition to the Procedures set out in Appendix B to the Agreement. Terms not defined herein shall be defined in accordance with the Procedures. These Additional Procedures form part of the Agreement and are subject to the specific undertakings contained therein.

II. OBLIGATIONS OF THE AUTHORISED INTERMEDIARY.

With respect to each account with respect to which the AI has assumed primary withholding responsibility, the AI shall, in addition to the obligations set out in Section II of the Procedures:

- (A) withhold the correct amount of tax in accordance with Section III;
- (B) deposit amounts withheld under Section III in accordance with Section IV.

III. WITHHOLDING BY THE AI.

(A) **In General.** The AI shall withhold from any Covered Payment at the rate provided in paragraph 6(f) of the Agreement except to the extent provided in this Section.

(B) **Withholding Rate with respect to Persons that are not Authorised Intermediaries.** The AI shall withhold at the rates provided in paragraphs 6(a), (b) or (c) of the Agreement with respect to a Covered Payment paid to a Direct Account Holder if it has received documentation that meets the requirements of those paragraphs and of Section V of the Procedures and which supports a reduction or exemption from withholding with respect to such Covered Payment.

(C) **Tax Rate Information provided by Another Authorised Intermediary.** If a Direct Account Holder with respect to the AI is an Authorised Intermediary, the AI may apply the lower rates of withholding, or an exemption from withholding, at the rates provided in Paragraph 6(e) of the Agreement, with respect to a Reportable Payment if the AI has received from such Authorised Intermediary Tax Rate Information that meets the requirements of Section IV of the Procedures.

IV. DEPOSIT REQUIREMENTS.

(A) In General. The AI shall deposit amounts withheld in accordance with the provisions of Section III, taking into account any adjustments for over- or under-withholding in accordance with Section VI of the Procedures.

(B) Time and Manner of Deposit. The AI shall deposit the taxes by electronic funds transfer to [relevant payment details], with respect to each calendar [month, quarter or other period specified in domestic law of Source Country]. Such deposits shall be made by [relevant dates provided in domestic law of Source Country]. In making such deposits, the AI shall comply with the requirements of [reference to relevant provisions of domestic law of the Source Country]. In determining whether the AI has withheld and deposited the correct amount of tax, there shall be taken into account any adjustments made by the AI with respect to over- and under-withholding in accordance with Section VI of the Procedures.

MODEL MUTUAL AGREEMENTS ON COLLECTIVE INVESTMENT VEHICLES UNDER EXISTING CONVENTIONS

OVERVIEW

The following model mutual agreements could be used under existing or future tax conventions to allow collective investment vehicles (“CIVs”) established in a Contracting State to claim benefits with respect to income arising in the other Contract State. The model mutual agreements are designed to implement the recommendations of the Informal Consultative Group on the Taxation of Collective Investment Vehicles and Procedures for Tax Relief for Cross-Border Investors (the “ICG”) in its January 2009 Report on “Granting of Treaty Benefits with respect to the Income of Collective Investment Vehicles”,⁶ pursuant to which Contracting States are encouraged to agree on the circumstances in which each other’s CIVs are entitled to claim treaty benefits either in their own name or on behalf of their investors. In line with those recommendations, the model mutual agreements do not provide a single suggested treatment that would apply to all CIVs. Instead, each of the mutual agreements provides a variety of treatments that governments may agree to apply to different types of CIVs. It is assumed however, that a mutual agreement will provide a single treatment for each type of CIV in each country (although CIVs with the same legal description may merit different treatment in different States depending on their tax and other economic characteristics). Accordingly, if a type of CIV is listed in paragraph 1 of a mutual agreement as being entitled to benefits on its own behalf, but fails a general limitation on benefits requirement to which all investors are subject, that CIV would not then be able to claim benefits under paragraph 2 or 3 with respect to the proportion of its investors that are in fact entitled to benefits.

Similarly, each model agreement’s section on procedures that may be used to determine ownership of the CIVs provides a variety of options that governments may choose among, depending on the circumstances of the CIVs in the Contracting States. In general, these mutual agreements are drafted to apply only to CIVs as defined in the Report of the ICG. Accordingly, it is anticipated that the vehicles covered by the agreements would be limited to funds (including “funds of funds”) that are widely-held, hold a diversified portfolio of securities and are subject to investor-protection regulation in the country in which they are established. The model mutual agreements provide several simplified methods for determining the ownership of these types of vehicles because of the difficulty in tracing investment income received by the CIV to specific investors. Whether tracing is possible with respect to a particular vehicle is a question of fact that depends on the number of owners of interests in the CIV and, more importantly, the

⁶ Available at http://www.oecd.org/document/27/0,3343,en_2649_33747_41962651_1_1_1_1,00.html.

amount of turnover in such ownership. Therefore, there may be cases where ownership in a vehicle that meets the definition of a “CIV” provided above is likely to be sufficiently stable or clear to allow the manager, custodian, depository or other fiduciary to credit specific income received by the vehicle to specific investors. In those cases, it should also be possible to determine treaty benefits with respect to those investors. The mutual agreements therefore include the option to allow the CIV to make those claims on behalf of its investors. Moreover, some governments may wish to have a comprehensive mutual agreement that covers all types of investment vehicles, including those that do not meet the above definition of a “CIV.” As with all of the other provisions of the model mutual agreements, it is left to the governments to determine whether such an option should be included and the types of vehicles to which it would apply.

One of the methods for determining ownership of interests in a CIV provides for quarterly ownership determinations. The quarterly testing requirement, which was the most frequent period anticipated in the ICG’s Report, was chosen because it is the most complicated provision to draft. Governments may, of course, choose to allow these determinations to be made less frequently. In that case, modifications to the rules and examples should be relatively straightforward. However, care would have to be taken in choosing the determination dates to ensure that the CIV would have enough time to update the self-declaration and avoid over-withholding at the beginning of each relevant period.

Three variations of model mutual agreements are provided to provide alternative language depending on whether the agreements are bilateral or multilateral and whether they provide benefits with respect only to residents of the State in which the CIV is established or with respect also to equivalent beneficiaries in third states.

A model Investor Self-Declaration is included with the model mutual agreements. This model Investor Self-Declaration may be provided to a CIV by individual investors in the CIV for purposes of certifying to the CIV the individual’s country of tax residence.

These model mutual agreements provide procedures for determining the ownership of collective investment vehicles that are compatible with, but not dependent on, adoption of the procedures relating to authorised intermediaries that are set out in the remainder of the Implementation Package which, like this document, was developed by the Pilot Group on Improving Procedures for Tax Relief for Cross-Border Investors to implement the recommendations of the ICG’s January 2009 Report on “Possible Improvements to Procedures for Tax Relief for Cross-Border Investors”.⁷ That is, a source country could enter into mutual agreements, or new treaties that utilise the procedures in the model mutual agreements, without implementing the relief at source system provided in the Implementation Package as a whole. In that case, the source country may want to incorporate in the agreements definitions of certain terms that are defined in the Implementation Package. Conversely, a source country could adopt the relief at source system without entering into any mutual agreements relating to the treatment of collective investment vehicles (although questions could arise in that case about the proper treatment of collective investment vehicles).

⁷ Available at http://www.oecd.org/document/27/0,3343,en_2649_33747_41962651_1_1_1_1,00.html.

BILATERAL – EQUIVALENT BENEFICIARIES

Date:

MEMORANDUM OF UNDERSTANDING

Based on Article 25 of the Convention between [State A] and [State B] for the Avoidance of Double Taxation with respect to Taxes on Income and on Capital (the “Convention”), the competent authorities have reached the following mutual agreement regarding the entitlement to treaty benefits of collective investment vehicles (“CIVs”) established in the two Contracting States:

Part I. Qualification for Benefits.

1. It is understood that any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to be granted treaty benefits without regard to ownership (other than a generally applicable limitation on benefits clause)] shall be treated for purposes of applying the Convention[, other than subparagraph (2)(a) of Article 10,]⁸ to income received by such CIV from sources in the other Contracting State as a resident of the Contracting State in which it is established and as the beneficial owner of the income it receives (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof). This provision shall not be construed as restricting in any way a Contracting State’s right to tax the residents of that State.

2. (a) It is understood that income from sources in a Contracting State received by any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to be granted proportional treaty benefits based on ownership] (or, in the case of such a CIV with separate classes of interests, any such income allocated to any such separate class) shall be treated for purposes of applying the Convention, other than subparagraph (2)(a) of Article 10, as income beneficially owned by a resident of the Contracting State in which the CIV is established (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof), but only to the extent that the beneficial interests in the CIV (or beneficial interests in any such separate class of interests) are owned by equivalent beneficiaries, as determined in accordance with Parts II-III. [If at least [] percent of the beneficial interests in the CIV (or in a separate class of interests in the CIV) is owned by equivalent beneficiaries, all of the income received by the CIV (or, in the case of a separate class of interests, allocated to that class) from sources in the other Contracting State shall be treated for such purposes as beneficially owned by a resident of the Contracting State in which the CIV is established (unless a resident of that State that is not a CIV who would have received the

⁸ This phrase may be inserted if it is intended that a CIV may claim only the rates applicable to general portfolio investors, and not any lower rates applicable to direct investors, and if the CIVs listed in this paragraph would not be entitled to the rate provided in subparagraph (2)(a) of Article 10 in the absence of an agreement between the competent authorities.

income in the same circumstances would not have been considered to be the beneficial owner thereof.)] This provision shall not be construed as restricting in any way a Contracting State's right to tax the residents of that State. If any claim or claims for benefits are made with respect to income allocated to one or more separate classes of interests in a CIV, the availability of benefits for income allocated to the remainder of the CIV shall be determined as if such remainder were a separate CIV.

(b) For purposes of subparagraph (a), the term "equivalent beneficiary" means the owner of a beneficial interest in the CIV that is a resident of the Contracting State in which the CIV is established or a resident of any other State who would, if he received directly, rather than through the CIV, the particular item of income for which benefits are being claimed, be entitled to a rate of tax with respect to that item of income that is at least as low as the rate claimed by the CIV with respect to that item of income, under either an income tax convention or the domestic law of the Contracting State in which the income arises, but only if the Contracting State in which the income arises has an effective information exchange relationship with the State of which the owner of the interest in the CIV is a resident allowing an exchange of information to confirm the identity and entitlement to benefits of such owner.

3. (a) It is understood that any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to claim benefits at the rate applicable to owners of beneficial interests in the CIV] which receives income arising in the other Contracting State may itself, in lieu of and instead of the owners of the beneficial interests in the CIV (or in lieu of and instead of the owners of the beneficial interests in a separate class of interests in the CIV), claim the tax reductions, exemptions or other benefits that would have been available to such owners under the Convention or any other income tax convention to which that other Contracting State is a party, or under the domestic law of the Contracting State in which the income arises, had they received such income directly.

(b) A CIV may not make a claim under subparagraph (a) for benefits on behalf of any owner of the beneficial interests in such CIV if the owner has itself made an individual claim for benefits with respect to income received by the CIV.

Part II. Permissible Methods of Determining Qualification for Benefits. This Part provides alternative methods by which a CIV or its manager, custodian, depository or representatives may make a claim for benefits for purposes of the relevant paragraphs of Part I. These provisions do not prevent the Contracting State in which income arises from reviewing a claim with respect to the CIV and determining that the proportion of beneficial interests owned by equivalent beneficiaries is different from that claimed in accordance with this Part II.

4. Quarterly Determinations. (a) For purposes of making claims for treaty benefits under paragraph 2 of Part I for a calendar year, the manager, custodian, depository or representative of a CIV shall determine by December 31 of the preceding calendar year the proportion of beneficial interests in the CIV, or in a separate class of interests in the CIV, that is owned by equivalent beneficiaries. Such annual determination shall be made by determining the proportion of beneficial interests in the CIV or class that is owned by equivalent beneficiaries at the end of each of the four calendar quarters ending prior to the date of the determination (such period beginning with the first day of the first of such calendar quarters and ending with the last day of the fourth of such calendar quarters being known as the "Look-Back Period") and averaging those results. For example, a determination made on December 31, 2008, would be based

on averaging the equivalent beneficiary ownership percentages from December 31, 2007, March 31, 2008, June 30, 2008, and September 30, 2008 and would apply with respect to the whole of 2009. If interests in a CIV, or a class of interests in a CIV, are first distributed during the Look-Back Period, the manager, custodian, depository or representative of the CIV may make claims with respect to the CIV or the relevant class during the Look-Back Period and the next calendar year by determining the proportion of beneficial interests in the CIV or class that is owned by equivalent beneficiaries at the end of each of the calendar quarters (or, in the case of the first period, at the end of that quarter) ending during the Look-Back Period and after the date on which interests in the CIV or class were first distributed and averaging those results. For example, if interests in a CIV (or in a separate class) were first distributed on April 30, 2008, the manager or representative of a CIV could make claims after June 30, 2008 on the basis of the proportion of owners of beneficial interests in the CIV (or the separate class) that are equivalent beneficiaries as of June 30, 2008. With respect to claims to be made during 2009, the determination would be made by averaging the equivalent beneficiary ownership percentages from June 30, 2008 and September 30, 2008.

(b) For purposes of making a claim for treaty benefits under paragraph 3 with respect to an item of income to be received by a CIV during a calendar year, the manager, custodian, depository or representative of a CIV shall determine by December 31 of the preceding calendar year the proportion of beneficial interests in the CIV, or in a separate class of interests in the CIV, that is owned by persons that qualify for each of the withholding rates that could be applicable to that item of income under the Convention, or under any other income tax convention to which the Contracting State in which the income arises is a party, or under the domestic law of the Contracting State in which the income arises. Such determination shall be made by averaging the determinations made on a quarterly basis at the time and in the manner described in subparagraph (a) with respect to each such rate to be claimed by the CIV on behalf of its investors.

5. Sales Restrictions. (a) If the manager or representative of a CIV limits ownership of interests in the CIV, or in a separate class of interests in the CIV, in accordance with one of the restrictions in subparagraph (b), that limitation is reflected in the distribution arrangements as described herein, and such interests are not freely transferable (on a listed stock exchange, for example), then the rules of this paragraph shall apply with respect to that CIV, or with respect to interests in that separate class. If all of the distribution and sub-distribution agreements between the CIV, or its manager or representative, or, in the case of a sub-distribution agreement, the distributor, and the distributors and sub-distributors of interests in the CIV impose the Investor Restriction or the Geographic Restriction with respect to the CIV or to a separate class of interests in the CIV, then the manager, custodian, depository or representative of the CIV may make a claim for benefits under paragraph 2 with respect to income received by the CIV (or in the case of a separate class, with respect to income allocated to such class) by treating 100 percent of the owners of interests in the CIV or in the class as equivalent beneficiaries. If all of such distribution and sub-distribution agreements impose the Preferential Rate Restriction with respect to the CIV or separate class, then the manager, custodian, depository or representative may make a claim for benefits with respect to income received by the CIV (or in the case of a separate class, with respect to income allocated to such class) by treating 100 percent of the owners of interests in the CIV or in the class as persons that are exempt from taxation in the Contracting State in which the income arises. The determinations required under paragraph 4 shall not apply with respect to the CIV or, if the sales restriction is imposed only with respect to a specific class, with respect to that class. If some, but not all, of such distribution and sub-distribution agreements contain one of the sales restrictions, the manager, custodian, depository or

representative of the CIV may make a claim for benefits under paragraph 2 with respect to the income of the CIV or, if the sales restriction applies to a class of interests, with respect to the income allocable to that class, by treating as equivalent beneficiaries or persons exempt from taxation in the Contracting State in which the income arises, as the case may be, only those owners of interests in the CIV or that class whose acquisition of such interests was subject to the appropriate sales restrictions. If the manager or representative of the CIV makes a claim for benefits with respect to the CIV or a class on the basis of the preceding sentence, no further claim may be made with respect to that CIV or that class on the basis of the quarterly determinations provided for by paragraph 4.

(b) For purposes of subparagraph (a):

(i) The term “Investor Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are equivalent beneficiaries;

(ii) The term “Geographic Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are resident for tax purposes in the Contracting State in which the CIV is established and [list of other approved states];

(iii) The term “Preferential Rate Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are exempt from taxation in the Contracting State in which the income arises on the types of income to be derived by the CIV.

(c) For purposes of making a claim for treaty benefits under paragraph 3 with respect to an item of income to be received by a CIV, the manager, custodian, depositary or representative of a CIV may apply this paragraph by establishing classes based on one or more of the withholding rates that could be applicable to that item of income under the Convention, or under any other income tax convention to which the Contracting State in which the income arises is a party, or under the domestic law of the Contracting State in which the income arises, and then limiting ownership and sales in an appropriate manner. For example, the CIV could provide that beneficial interests in the CIV could be owned only by persons that are exempt from taxation in the Contracting State in which the income arises on the types of income to be derived by the CIV, in which case the manager, custodian, depositary or representative would claim a complete exemption from taxation in the Contracting State in which the income arises. Alternatively, it could establish two classes – one for such exempt owners and another that would be subject to the Geographic Restriction. In that case, the manager, custodian, depositary or representative would claim the exemption for the first class and the applicable general portfolio rates for the relevant income with respect to the second class. Finally, the CIV could have a third class that was not subject to any sales restrictions, with respect to which the manager, custodian, depositary or representative would not claim any treaty benefits (or, to the extent possible, would claim benefits in accordance with either paragraph 4 or 6). The manager, custodian, depositary or representative of a CIV may decide not to establish a class with respect to a particular rate or rates (if, for example, it believes that the proportion of beneficial interests in the CIV that is owned by persons that would qualify for that rate is too small to

justify the additional administrative expense of the determination and those persons would not have claimed benefits on their own behalf in any event).

6. **Direct Tracing.** Where the manager, custodian, depositary or representative of a CIV described in paragraph 3 of Part I is able to allocate specific income received by the CIV to specific investors, the manager, custodian, depositary or representative of a CIV may claim benefits under paragraph 3 at specific income payment dates on the basis of the ownership of beneficial interests in the CIV as of such payment dates.

Part III. Procedures for Quarterly Determinations.

7. **Procedures Applicable to the CIV.** The manager, custodian, depositary or representative of a CIV making a claim for treaty benefits under paragraph 2 or 3 of Part I using the quarterly determination method described in paragraph 4 shall make the determinations described therein to the best of his knowledge and belief. Such manager, custodian, depositary or representative will be responsible for determining the withholding rates applicable only to those owners of beneficial interests in the CIV that have provided an investor self-declaration directly to the CIV (or its agent). With respect to owners of beneficial interests in the CIV whose ownership is held through distributors, custodians, agents, nominees or other financial intermediaries (“financial intermediaries”), the manager, custodian, depositary or representative may base the claim for treaty benefits on information received from such financial intermediaries regarding the withholding rates applicable to, or tax residence of, owners of beneficial interests in the CIV, unless the manager, custodian, depositary or representative knows or has reason to know that the information provided by the financial intermediary is unreliable or incorrect.

8. **Procedures Applicable to Intermediaries.** A financial intermediary need not provide investor-specific information to the manager, custodian, depositary or representative of the CIV, or to other financial intermediaries between the owner of beneficial interests and the CIV, at the time the determination is made, but may provide pooled information regarding the owners of beneficial interests. If the manager, custodian, depositary or representative of the CIV has provided to the financial intermediary, at least 15 days prior to the relevant determination date, a list of the source countries in which the CIV is invested, the financial intermediary shall provide pooled information regarding the withholding rates applicable. In other cases, the financial intermediary shall provide pooled information regarding the countries in which the investors are resident for tax purposes, determined on the basis of investor self-declarations provided directly to the financial intermediary by the investor, or of pooled information provided to the financial intermediary by a lower-tier financial intermediary, although the financial intermediary may not include in its own claim any information received from a lower-tier financial intermediary if the financial intermediary knows or has reason to know that the information provided by such lower-tier financial intermediary or the investor self-declaration provided by such an investor is unreliable or incorrect.

9. **Excluded Intermediary.** Neither the manager, custodian, depositary or representative of the CIV nor another financial intermediary may rely on information provided by a financial intermediary that has been designated by the tax authorities of the Contracting State in which the income arises as an excluded intermediary. The tax authorities shall maintain a list of intermediaries that have been identified as excluded intermediaries. Notwithstanding any obligations as to secrecy or other restriction upon disclosure

of information imposed by or under any statute or otherwise, the tax authorities will make available to any person upon request the name and address of any such intermediary which has been so designated and may if they so choose publish such information. Such designation shall take effect with respect to the CIV, its manager, custodian, depositary or representative or another intermediary as of the earliest of: (i) the date that it has received notification from the excluded intermediary of the latter's designation as such; (ii) the date the Competent Authority has posted to its website such information; or (iii) the date the CIV, its manager, custodian, depositary or representative or the intermediary otherwise discovers that the intermediary has been designated an excluded intermediary.

Part IV. Co-Operation with Tax Authorities.

10. Information regarding Investors. It is a condition of making a claim pursuant to this mutual agreement, that the CIV, as well as any financial intermediary that has provided pooled information to the manager, custodian, depositary, representative or another financial intermediary, must, upon request from the Contracting State in which the income arises, provide to that Contracting State any information in its possession affecting the claims for benefits that have been made with respect to the owners of beneficial interests in the CIV whose interests have counted favourably towards the CIV's claim for benefits under the Convention. This requirement includes not only information regarding specific owners of beneficial interests but also the pooled information provided to the CIV or upper-tier intermediary and information regarding the method used to make those determinations.

Part V. Effective Date.

11. The procedures set out in Parts II through IV shall apply to income paid to a CIV on or after [].

THE COMPETENT AUTHORITY OF []

THE COMPETENT AUTHORITY OF []

BILATERAL – RESIDENTS

Date:

MEMORANDUM OF UNDERSTANDING

Based on Article 25 of the Convention between [State A] and [State B] for the Avoidance of Double Taxation with respect to Taxes on Income and on Capital (the “Convention”), the competent authorities have reached the following mutual agreement regarding the entitlement to treaty benefits of collective investment vehicles (“CIVs”) established in the two Contracting States:

Part I. Qualification for Benefits.

1. It is understood that any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to be granted treaty benefits without regard to ownership (other than a generally applicable limitation on benefits clause)] shall be treated for purposes of applying the Convention[, other than subparagraph (2)(a) of Article 10,]⁹ to income received by such CIV from sources in the other Contracting State as a resident of the Contracting State in which it is established and as the beneficial owner of the income it receives (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof). This provision shall not be construed as restricting in any way a Contracting State’s right to tax the residents of that State.

2. It is understood that income from sources in a Contracting State received by any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to be granted proportional treaty benefits based on ownership] (or, in the case of such a CIV with separate classes of interest, any such income allocated to any such separate class) shall be treated for purposes of applying the Convention, other than subparagraph (2)(a) of Article 10, as income beneficially owned by a resident of the Contracting State in which the CIV is established (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof), but only to the extent that the beneficial interests in the CIV (or beneficial interests in any such separate class of interests) are owned by residents of the Contracting State in which the CIV is established, as determined in accordance with Parts II – III. [If at least [] percent of the beneficial interests in the CIV (or in a separate class of interests in the CIV) is owned by residents of the Contracting State in which the CIV is established, all of the income received by the CIV (or, in the case of a separate class of interests, allocated to that class) from sources in the other Contracting State shall be treated for such purposes as beneficially owned by a resident of the Contracting State in which the CIV is

⁹ This phrase may be inserted if it is intended that a CIV may claim only the rates applicable to general portfolio investors, and not any lower rates applicable to direct investors, and if the CIVs listed in this paragraph would not be entitled to the rate provided in subparagraph (2)(a) of Article 10 in the absence of an agreement between the competent authorities.

established (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof).] This provision shall not be construed as restricting in any way a Contracting State's right to tax the residents of that State. If any claim or claims for benefits are made with respect to income allocated to one or more separate classes of interests in a CIV, the availability of benefits for income allocated to the remainder of the CIV shall be determined as if such remainder were a separate CIV.

3. (a) It is understood that any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to claim benefits at the rate applicable to owners of beneficial interests in the CIV] which receives income arising in the other Contracting State may itself, in lieu of and instead of the owners of the beneficial interests in the CIV (or in lieu of and instead of the owners of the beneficial interests in a separate class of interests in the CIV), claim the tax reductions, exemptions or other benefits that would have been available to such owners under the Convention, or under the domestic law of the Contracting State in which the income arises, had they received such income directly.

(b) A CIV may not make a claim under subparagraph (a) for benefits on behalf of any owner of the beneficial interests in such CIV if the owner has itself made an individual claim for benefits with respect to income received by the CIV.

Part II. Permissible Methods of Determining Qualification for Benefits. This Part provides alternative methods by which a CIV or its manager, custodian, depositary or representatives may make a claim for benefits for purposes of the relevant paragraphs of Part I. These provisions do not prevent the Contracting State in which income arises from reviewing a claim with respect to the CIV and determining that the proportion of beneficial interests owned by residents of the Contracting State in which the CIV is established is different from that claimed in accordance with this Part II.

4. Quarterly Determinations. (a) For purposes of making claims for treaty benefits under paragraph 2 of Part I for a calendar year, the manager, custodian, depositary or representative of a CIV shall determine by December 31 of the preceding calendar year the proportion of beneficial interests in the CIV, or in a separate class of interests in the CIV, that is owned by residents of the Contracting State in which the CIV is established. Such annual determination shall be made by determining the proportion of beneficial interests in the CIV or class that is owned by residents of the Contracting State in which the CIV is established at the end of each of the four calendar quarters ending prior to the date of the determination (such period beginning with the first day of the first of such calendar quarters and ending with the last day of the fourth of such calendar quarters being known as the "Look-Back Period") and averaging those results. For example, a determination made on December 31, 2008, would be based on averaging the resident ownership percentages from December 31, 2007, March 31, 2008, June 30, 2008, and September 30, 2008 and would apply with respect to the whole of 2009. If interests in a CIV, or a class of interests in a CIV, are first distributed during the Look-Back Period, the manager, custodian, depositary or representative of the CIV may make claims with respect to the CIV or the relevant class during the Look-Back Period and the next calendar year by determining the proportion of beneficial interests in the CIV or class that is owned by residents of the Contracting State in which the CIV is established at the end of each of the calendar quarters (or, in the case of the first calendar quarter, at the end of that quarter) ending during the Look-Back Period and after the date on which interests in the CIV or class were first distributed and averaging those results. For example, if interests in a CIV (or in a separate class) were first distributed

on April 30, 2008, the manager or representative of a CIV could make claims after June 30, 2008 on the basis of the proportion of owners of beneficial interests in the CIV (or the separate class) that are residents of the Contracting State in which the CIV is established as of June 30, 2008. With respect to claims to be made during 2009, the determination would be made by averaging the resident ownership percentages from June 30, 2008 and September 30, 2008.

(b) For purposes of making a claim for treaty benefits under paragraph 3 with respect to an item of income to be received by a CIV during a calendar year, the manager, custodian, depository or representative of a CIV shall determine by December 31 of the preceding calendar year the proportion of beneficial interests in the CIV, or in a separate class of interests in the CIV, that is owned by persons that qualify for each of the withholding rates that could be applicable to that item of income under the Convention, or under the domestic law of the Contracting State in which the income arises. Such determination shall be made by averaging the determinations made on a quarterly basis at the time and in the manner described in subparagraph (a) with respect to each such rate to be claimed by the CIV on behalf of its investors.

5. Sales Restrictions. (a) If the manager or representative of a CIV limits ownership of interests in the CIV, or in a separate class of interests in the CIV, in accordance with one of the restrictions in subparagraph (b), that limitation is reflected in the distribution arrangements as described herein, and such interests are not freely transferable (on a listed stock exchange, for example), then the rules of this paragraph shall apply with respect to that CIV, or with respect to interests in that separate class. If all of the distribution and sub-distribution agreements between the CIV, or its manager or representative, or, in the case of a sub-distribution agreement, the distributor, and the distributors and sub-distributors of interests in the CIV impose the Geographic Restriction with respect to the CIV or to a separate class of interests in the CIV, then the manager, custodian, depository or representative of the CIV may make a claim for benefits under paragraph 2 with respect to income received by the CIV (or in the case of a separate class, with respect to income allocated to such class) by treating 100 percent of the owners of interests in the CIV or in the class as residents of the Contracting State in which the CIV is established. If all of such distribution and sub-distribution agreements impose the Preferential Rate Restriction with respect to the CIV or separate class, then the manager, custodian, depository or representative may make a claim for benefits with respect to income received by the CIV (or in the case of a separate class, with respect to income allocated to such class) by treating 100 percent of the owners of interests in the CIV or in the class as persons that are exempt from taxation in the Contracting State in which the income arises. The determinations required under paragraph 4 shall not apply with respect to the CIV or, if the sales restriction is imposed only with respect to a specific class, with respect to that class. If some, but not all, of such distribution and sub-distribution agreements contain one of the sales restrictions, the manager, custodian, depository or representative of the CIV may make a claim for benefits under paragraph 2 with respect to the income of the CIV or, if the sales restriction applies to a class of interests, with respect to the income allocable to that class, by treating as residents of the Contracting State in which the CIV is established, or as persons exempt from taxation in the Contracting State in which the income arises, as the case may be, only those owners of interests in the CIV or that class whose acquisition of such interests was subject to the appropriate sales restrictions. If the manager or representative of the CIV makes a claim for benefits with respect to the CIV or a class on the basis of the preceding sentence, no further claim may be made with respect to that CIV or that class on the basis of the quarterly determinations provided for by paragraph 4.

(b) For purposes of subparagraph (a):

(i) The term “Geographic Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are resident for tax purposes in the Contracting State in which the CIV is established; and

(ii) The term “Preferential Rate Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are exempt from taxation in the Contracting State in which the income arises on the types of income to be derived by the CIV.

(c) For purposes of making a claim for treaty benefits under paragraph 3 with respect to an item of income to be received by a CIV, the manager, custodian, depositary or representative of a CIV may apply this paragraph by establishing classes based on one or more of the withholding rates that could be applicable to that item of income under the Convention, or under the domestic law of the Contracting State in which the income arises, and then limiting ownership and sales in an appropriate manner. For example, the CIV could provide that beneficial interests in the CIV could be owned only by persons that are exempt from taxation in the Contracting State in which the income arises on the types of income to be derived by the CIV, in which case the manager, custodian, depositary or representative would claim a complete exemption from taxation in the Contracting State in which the income arises. Alternatively, it could establish two classes – one for such exempt owners and another that would be subject to the Geographic Restriction. In that case, the manager, custodian, depositary or representative would claim the exemption for the first class and the applicable general portfolio rates for the relevant income with respect to the second class. Finally, the CIV could have a third class that was not subject to any sales restrictions, with respect to which the manager, custodian, depositary or representative would not claim any treaty benefits (or, to the extent possible, would claim benefits in accordance with either paragraph 4 or 6). The manager, custodian, depositary or representative of a CIV may decide not to establish a class with respect to a particular rate or rates (if, for example, it believes that the proportion of beneficial interests in the CIV that is owned by persons that would qualify for that rate is too small to justify the additional administrative expense of the determination and those persons would not have claimed benefits on their own behalf in any event).

6. Direct Tracing. Where the manager, custodian, depositary or representative of a CIV described in paragraph 3 of Part I is able to allocate specific income received by the CIV to specific investors, the manager, custodian, depositary or representative of a CIV may claim benefits under paragraph 3 at specific income payment dates on the basis of the ownership of beneficial interests in the CIV as of such payment dates.

Part III. Procedures for Quarterly Determinations.

7. Procedures Applicable to the CIV. The manager, custodian, depositary or representative of a CIV making a claim for treaty benefits under paragraph 2 or 3 of Part I using the quarterly determination method described in paragraph 4 shall make the determinations described therein to the best of his knowledge and belief. Such manager, custodian, depositary or representative will be responsible for determining the withholding rates applicable only to those owners of beneficial interests in the CIV that have provided an investor self-declaration directly to the CIV (or its agent). With respect to owners of beneficial interests in the CIV whose ownership is held through distributors, custodians, agents, nominees or other financial intermediaries (“financial intermediaries”), the manager, custodian, depositary or representative may base the claim for treaty benefits on information received from such financial intermediaries regarding the withholding rates applicable to, or tax residence of, owners of beneficial interests in the CIV, unless the manager, custodian, depositary or representative knows or has reason to know that the information provided by the financial intermediary is unreliable or incorrect.

8. Procedures Applicable to Intermediaries. A financial intermediary need not provide investor-specific information to the manager, custodian, depositary or representative of the CIV, or to other financial intermediaries between the owner of beneficial interests and the CIV, at the time the determination is made, but may provide pooled information regarding the owners of beneficial interests. If the manager, custodian, depositary or representative of the CIV has provided to the financial intermediary, at least 15 days prior to the relevant determination date, a list of the source countries in which the CIV is invested, the financial intermediary shall provide pooled information regarding the withholding rates applicable. In other cases, the financial intermediary shall provide pooled information regarding the countries in which the investors are resident for tax purposes, determined on the basis of investor self-declarations provided directly to the financial intermediary by the investor, or of pooled information provided to the financial intermediary by a lower-tier financial intermediary, although the financial intermediary may not include in its own claim any information received from a lower-tier financial intermediary if the financial intermediary knows or has reason to know that the information provided by such lower-tier financial intermediary or the investor self-declaration provided by such an investor is unreliable or incorrect.

9. Excluded Intermediary. Neither the manager, custodian, depositary or representative of the CIV nor another intermediary may rely on information provided by a financial intermediary that has been designated by the tax authorities of the Contracting State in which the income arises as an excluded intermediary. The tax authorities shall maintain a list of intermediaries that have been identified as excluded intermediaries. Notwithstanding any obligations as to secrecy or other restriction upon disclosure of information imposed by or under any statute or otherwise, the tax authorities will make available to any person upon request the name and address of any such intermediary which has been so designated and may if they so choose publish such information. Such designation shall take effect with respect to the CIV, its manager, custodian, depositary or representative or another intermediary as of the earliest of: (i) the date that it has received notification from the excluded intermediary of the latter's designation as such; (ii) the date the Competent Authority has posted to its website such information; or (iii) the date the CIV, its manager, custodian, depositary or representative or the intermediary otherwise discovers that the intermediary has been designated an excluded intermediary.

Part IV. Co-Operation with Tax Authorities.

10. Information regarding Investors. It is a condition of making a claim pursuant to this mutual agreement, that the CIV, as well as any financial intermediary that has provided pooled information to the manager, custodian, depositary, representative or another financial intermediary, must, upon request from the Contracting State in which the income arises, provide to that Contracting State any information in its possession affecting the claims for benefits that have been made with respect to the owners of beneficial interests in the CIV whose interests have counted favourably towards the CIV's claim for benefits under the Convention. This requirement includes not only information regarding specific owners of beneficial interests but also the pooled information provided to the CIV or upper-tier intermediary and information regarding the method used to make those determinations.

Part V. Effective Date.

11. The procedures set out in Parts II through IV shall apply to income paid to a CIV on or after [].

THE COMPETENT AUTHORITY OF []

THE COMPETENT AUTHORITY OF []

MULTILATERAL – EQUIVALENT BENEFICIARIES

Date:

MEMORANDUM OF UNDERSTANDING

The competent authorities of [State A, State B and State C, etc.] (the “Contracting States”) have reached the following mutual agreement regarding the treatment of collective investment vehicles established in the Contracting States (“CIVs”), based on the relevant provisions regarding the conclusion of mutual agreements of the conventions between each of [State A, State B, State C, etc.] for the avoidance of double taxation with respect to taxes on income which are listed in Annex 1 (the “Conventions”):

Part I. Qualification for Benefits.

1. It is understood that any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to be granted treaty benefits without regard to ownership (other than a generally applicable limitation on benefits clause)] shall be treated for purposes of applying the Conventions[, other than subparagraph (2)(a) of Article 10 of each Convention,]¹⁰ to income received by the CIV as a resident of the Contracting State in which it is established and as the beneficial owner of the income it receives (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof). This provision shall not be construed as restricting in any way a Contracting State’s right to tax the residents of that State.

2. (a) It is understood that income from sources in a Contracting State received by any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to be granted proportional treaty benefits based on ownership] (or, in the case of such a CIV with separate classes of interests, any such income allocated to any such separate class) shall be treated for purposes of applying the Conventions, other than subparagraph (2)(a) of Article 10 of each Convention, as income beneficially owned by a resident of the Contracting State in which the CIV is established (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof), but only to the extent that the beneficial interests in the CIV (or beneficial interests in any such separate class of interests) are owned by equivalent beneficiaries, as determined in accordance with Parts II-III. [If at least [] percent of the beneficial interests in the CIV (or in a separate class of interests in the CIV) is owned by equivalent beneficiaries, all of the income received by the CIV (or, in the case of a separate class of interests, allocated to that class) from sources in the other Contracting State shall be treated for such purposes as beneficially owned by a resident of the

¹⁰ This phrase may be inserted if it is intended that a CIV may claim only the rates applicable to general portfolio investors, and not any lower rates applicable to direct investors, and if the CIVs listed in this paragraph would not be entitled to the rate provided in subparagraph (2)(a) of Article 10 in the absence of an agreement between the competent authorities.

Contracting State in which the CIV is established (unless a resident of that State that is not a CIV who would have received the income in the same circumstances would not have been considered to be the beneficial owner thereof).] This provision shall not be construed as restricting in any way a Contracting State's right to tax the residents of that State. If any claim or claims for benefits are made with respect to income allocated to one or more separate classes of interests in a CIV, the availability of benefits for income allocated to the remainder of the CIV shall be determined as if such remainder were a separate CIV.

(b) For purposes of subparagraph (a), the term "equivalent beneficiary" means the owner of a beneficial interest in the CIV that is a resident of the Contracting State in which the CIV is established or a resident of any other State who would, if he received directly, rather than through the CIV, the particular item of income for which benefits are being claimed, be entitled to a rate of tax with respect to that item of income that is at least as low as the rate claimed by the CIV with respect to that item of income, under either an income tax convention or the domestic law of the Contracting State in which the income arises, but only if the Contracting State in which the income arises has an effective information exchange relationship with the State of which the owner of the interest in the CIV is a resident allowing an exchange of information to confirm the identity and entitlement to benefits of such owner.

3. (a) It is understood that any CIV of the following type [list of the types of CIVs established in each Contracting State, if any, that are to claim benefits at the rate applicable to owners of beneficial interests in the CIV] which receives income arising in another Contracting State may itself, in lieu of and instead of the owners of the beneficial interests in the CIV (or in lieu of and instead of the owners of the beneficial interests in a separate class of interests in the CIV), claim the tax reductions, exemptions or other benefits that would have been available to such owners under the Conventions or any other income tax convention to which that other Contracting State is a party, or under the domestic law of the Contracting State in which the income arises, had they received such income directly.

(b) A CIV may not make a claim under subparagraph (a) for benefits on behalf of any owner of the beneficial interests in such CIV if the owner has itself made an individual claim for benefits with respect to income received by the CIV.

Part II. Permissible Methods of Determining Qualification for Benefits. This Part provides alternative methods by which a CIV or its manager, custodian, depositary or representatives may make a claim for benefits for purposes of the relevant paragraphs of Part I. These provisions do not prevent the Contracting State in which income arises from reviewing a claim with respect to the CIV and determining that the proportion of beneficial interests owned by equivalent beneficiaries is different from that claimed in accordance with this Part II.

4. Quarterly Determinations. (a) For purposes of making claims for treaty benefits under paragraph 2 of Part I for a calendar year, the manager, custodian, depositary or representative of a CIV shall determine by December 31 of the preceding calendar year the proportion of beneficial interests in the CIV, or in a separate class of interests in the CIV, that is owned by equivalent beneficiaries. Such annual determination shall be made by determining the proportion of beneficial interests in the CIV or class that is owned by equivalent beneficiaries at the end of each of the four calendar quarters ending prior to the date of the determination (such period beginning with the first day of the first of such calendar quarters and

ending with the last day of the fourth of such calendar quarters being known as the “Look-Back Period”) and averaging those results. For example, a determination made on December 31, 2008, would be based on averaging the equivalent beneficiary ownership percentages from December 31, 2007, March 31, 2008, June 30, 2008, and September 30, 2008 and would apply with respect to the whole of 2009. If interests in a CIV, or a class of interests in a CIV, are first distributed during the Look-Back Period, the manager, custodian, depository or representative of the CIV may make claims with respect to the CIV or the relevant class during the Look-Back Period and the next calendar year by determining the proportion of beneficial interests in the CIV or class that is owned by equivalent beneficiaries at the end of each of the calendar quarters (or, in the case of the first calendar quarter, at the end of that quarter) ending during the Look-Back Period and after the date on which interests in the CIV or class were first distributed and averaging those results. For example, if interests in a CIV (or in a separate class) were first distributed on April 30, 2008, the manager or representative of a CIV could make claims after June 30, 2008 on the basis of the proportion of owners of beneficial interests in the CIV (or the separate class) that are equivalent beneficiaries as of June 30, 2008. With respect to claims to be made during 2009, the determination would be made by averaging the equivalent beneficiary ownership percentages from June 30, 2008 and September 30, 2008.

(b) For purposes of making a claim for treaty benefits under paragraph 3 with respect to an item of income to be received by a CIV during a calendar year, the manager, custodian, depository or representative of a CIV shall determine by December 31 of the preceding calendar year the proportion of beneficial interests in the CIV, or in a separate class of interests in the CIV, that is owned by persons that qualify for each of the withholding rates that could be applicable to that item of income under the Conventions, or under any other income tax convention to which the Contracting State in which the income arises is a party, or under the domestic law of the Contracting State in which the income arises. Such determination shall be made by averaging the determinations made on a quarterly basis at the time and in the manner described in subparagraph (a) with respect to each such rate to be claimed by the CIV on behalf of its investors.

5. Sales Restrictions. (a) If the manager or representative of a CIV limits ownership of interests in the CIV, or in a separate class of interests in the CIV, in accordance with one of the restrictions in subparagraph (b), that limitation is reflected in the distribution arrangements as described herein, and such interests are not freely transferable (on a listed stock exchange, for example), then the rules of this paragraph shall apply with respect to that CIV, or with respect to interests in that separate class. If all of the distribution and sub-distribution agreements between the CIV, or its manager or representative, or, in the case of a sub-distribution agreement, the distributor, and the distributors and sub-distributors of interests in the CIV impose the Investor Restriction or the Geographic Restriction with respect to the CIV or to a separate class of interests in the CIV, then the manager, custodian, depository or representative of the CIV may make a claim for benefits under paragraph 2 with respect to income received by the CIV (or in the case of a separate class, with respect to income allocated to such class) by treating 100 percent of the owners of interests in the CIV or in the class as equivalent beneficiaries. If all of such distribution and sub-distribution agreements impose the Preferential Rate Restriction with respect to the CIV or separate class, then the manager, custodian, depository or representative may make a claim for benefits with respect to income received by the CIV (or in the case of a separate class, with respect to income allocated to such class) by treating 100 percent of the owners of interests in the CIV or in the class as persons that are exempt from taxation in the Contracting State in which the income arises. The determinations required

under paragraph 4 shall not apply with respect to the CIV or, if the sales restriction is imposed only with respect to a specific class, with respect to that class. If some, but not all, of such distribution and sub-distribution agreements contain one of the sales restrictions, the manager, custodian, depository or representative of the CIV may make a claim for benefits under paragraph 2 with respect to the income of the CIV or, if the sales restriction applies to a class of interests, with respect to the income allocable to that class, by treating as equivalent beneficiaries or persons exempt from taxation in the Contracting State in which the income arises, as the case may be, only those owners of interests in the CIV or that class whose acquisition of such interests was subject to the appropriate sales restrictions. If the manager or representative of the CIV makes a claim for benefits with respect to the CIV or a class on the basis of the preceding sentence, no further claim may be made with respect to that CIV or that class on the basis of the quarterly determinations provided for by paragraph 4.

(b) For purposes of subparagraph (a):

(i) The term “Investor Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are equivalent beneficiaries;

(ii) The term “Geographic Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are resident for tax purposes in the Contracting State in which the CIV is established and [list of other approved states];

(iii) The term “Preferential Rate Restriction” shall refer to a restriction that limits ownership and distribution of interests in a CIV, or of interests in a separate class, to potential investors that are exempt from taxation in the Contracting State in which the income arises on the types of income to be derived by the CIV.

(c) For purposes of making a claim for treaty benefits under paragraph 3 with respect to an item of income to be received by a CIV, the manager, custodian, depository or representative of a CIV may apply this paragraph by establishing classes based on one or more of the withholding rates that could be applicable to that item of income under the Convention, or under any other income tax convention to which the Contracting State in which the income arises is a party, or under the domestic law of the Contracting State in which the income arises, and then limiting ownership and sales in an appropriate manner. For example, the CIV could provide that beneficial interests in the CIV could be owned only by persons that are exempt from taxation in the Contracting State in which the income arises on the types of income to be derived by the CIV, in which case the manager, custodian, depository or representative would claim a complete exemption from taxation in the Contracting State in which the income arises. Alternatively, it could establish two classes – one for such exempt owners and another that would be subject to the Geographic Restriction. In that case, the manager, custodian, depository or representative would claim the exemption for the first class and the applicable general portfolio rates for the relevant income with respect to the second class. Finally, the CIV could have a third class that was not subject to any sales restrictions, with respect to which the manager, custodian, depository or representative would not claim any treaty benefits (or, to the extent possible, would claim benefits in accordance with either paragraph 4 or 6). The manager, custodian, depository or representative of a CIV may decide not to

establish a class with respect to a particular rate or rates (if, for example, it believes that the proportion of beneficial interests in the CIV that is owned by persons that would qualify for that rate is too small to justify the additional administrative expense of the determination and those persons would not have claimed benefits on their own behalf in any event).

6. **Direct Tracing.** Where the manager, custodian, depositary or representative of a CIV described in paragraph 3 of Part I is able to allocate specific income received by the CIV to specific investors, the manager, custodian, depositary or representative of a CIV may claim benefits under paragraph 3 at specific income payment dates on the basis of the ownership of beneficial interests in the CIV as of such payment dates.

Part III. Procedures for Quarterly Determinations.

7. **Procedures Applicable to the CIV.** The manager, custodian, depositary or representative of a CIV making a claim for treaty benefits under paragraph 2 or 3 of Part I using the quarterly determination method described in paragraph 4 shall make the determinations described therein to the best of his knowledge and belief. Such manager, custodian, depositary or representative will be responsible for determining the withholding rates applicable only to those owners of beneficial interests in the CIV that have provided an investor self-declaration directly to the CIV (or its agent). With respect to owners of beneficial interests in the CIV whose ownership is held through distributors, custodians, agents, nominees or other financial intermediaries (“financial intermediaries”), the manager, custodian, depositary or representative may base the claim for treaty benefits on information received from such financial intermediaries regarding the withholding rates applicable to, or tax residence of, owners of beneficial interests in the CIV, unless the manager, custodian, depositary or representative knows or has reason to know that the information provided by the financial intermediary is unreliable or incorrect.

8. **Procedures Applicable to Intermediaries.** A financial intermediary need not provide investor-specific information to the manager, custodian, depositary or representative of the CIV, or to other financial intermediaries between the owner of beneficial interests and the CIV, at the time the determination is made, but may provide pooled information regarding the owners of beneficial interests. If the manager, custodian, depositary or representative of the CIV has provided to the financial intermediary, at least 15 days prior to the relevant determination date, a list of the source countries in which the CIV is invested, the financial intermediary shall provide pooled information regarding the withholding rates applicable. In other cases, the financial intermediary shall provide pooled information regarding the countries in which the investors are resident for tax purposes, determined on the basis of investor self-declarations provided directly to the financial intermediary by the investor, or of pooled information provided to the financial intermediary by a lower-tier financial intermediary, although the financial intermediary may not include in its own claim any information received from a lower-tier financial intermediary if the financial intermediary knows or has reason to know that the information provided by such lower-tier financial intermediary or the investor self-declaration provided by such an investor is unreliable or incorrect.

9. **Excluded Intermediary.** Neither the manager, custodian, depositary or representative of the CIV nor another financial intermediary may rely on information provided by a financial intermediary that has been designated by the tax authorities of the Contracting State in which the income arises as an excluded

intermediary. The tax authorities shall maintain a list of intermediaries that have been identified as excluded intermediaries. Notwithstanding any obligations as to secrecy or other restriction upon disclosure of information imposed by or under any statute or otherwise, the tax authorities will make available to any person upon request the name and address of any such intermediary which has been so designated and may if they so choose publish such information. Such designation shall take effect with respect to the CIV, its manager, custodian, depositary or representative or another intermediary as of the earliest of: (i) the date that it has received notification from the excluded intermediary of the latter's designation as such; (ii) the date the Competent Authority has posted to its website such information; or (iii) the date the CIV, its manager, custodian, depositary or representative or the intermediary otherwise discovers that the intermediary has been designated an excluded intermediary.

Part IV. Co-Operation with Tax Authorities.

10. Information regarding Investors. It is a condition of making a claim pursuant to this mutual agreement, that the CIV, as well as any financial intermediary that has provided pooled information to the manager, custodian, depositary, representative or another financial intermediary, must, upon request from the Contracting State in which the income arises, provide to that Contracting State any information in its possession affecting the claims for benefits that have been made with respect to the owners of beneficial interests in the CIV whose interests have counted favourably towards the CIV's claim for benefits under the Convention. This requirement includes not only information regarding specific owners of beneficial interests but also the pooled information provided to the CIV or upper-tier intermediary and information regarding the method used to make those determinations.

Part V. Effective Date.

12. The procedures set out in Parts II through IV shall apply to income paid to a CIV on or after [].

THE COMPETENT AUTHORITY OF []

THE COMPETENT AUTHORITY OF []

THE COMPETENT AUTHORITY OF []

**INVESTOR SELF-DECLARATION FOR INDIVIDUALS PURCHASING
DIRECT INVESTMENTS FROM A CIV**

Name of Investor: _____
Address: _____
City: _____ Province, State or Locality: _____
Country, Postal Code: _____
Place of Birth: _____ Date of Birth: _____

I hereby certify that I (the “Investor”) am a resident of _____ for tax purposes and that my Taxpayer Identification Number is _____. I am the beneficial owner of the income that is to be paid or credited to my account(s) with [CIV fund manager] (the “Recipient”). I am not aware of any circumstances that would prevent me from being entitled to the benefits of tax treaties entered into by my State of residence and hereby agree that the Recipient or its agent will be solely responsible for making any claim for a treaty benefit arising from these treaties on my behalf to the extent that the Recipient is authorized to make that treaty claim directly under a tax treaty (that is, I will not make any such claim for treaty benefit as regards income for which the CIV is authorized to make a claim). I hereby authorise the Recipient to provide, directly or indirectly, to any relevant tax authorities a copy of this form and to disclose to such tax authorities the information contained herein and any additional information that the Recipient may have in its possession that is relevant to any claim for tax benefits made on the basis of this Investor Self-Declaration. I acknowledge and agree that information regarding income paid or credited to or for the benefit of my account(s) with the Recipient may be reported to the tax authorities of the country of which I am a resident for tax purposes. I undertake to advise the Recipient promptly of any change in circumstances which causes the information contained herein to become incorrect and to provide the Recipient with a suitably updated Self-Declaration within 30 days of such change in circumstances.

Signed: _____

Title: Mr./Ms./etc.

Name of Signatory in block capitals or type

Date: _____]¹¹

¹¹ The signature block may be omitted if the Investor Self-Declaration is included in an account-opening application or form that has a separate signature block with the same information.

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