



Common Reporting Standard (“CRS”)

Bulletin 2016/6

This Bulletin is issued under the provisions of Regulation 12 of The Income Tax (Approved International Agreements) (Implementation) (Common Reporting Standard) Regulations, 2015 (“The Regulations”).

The Director has become aware that Entities have required clarity in respect of the appropriate definition of “Investment Entity” to be used for the purposes of the CRS.

The definition to be used is contained in Section VIII A (6) of the CRS, the content of which is copied below:

“The term “Investment Entity” means any Entity:

- a) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:
 - i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;*
 - ii) individual and collective portfolio management; or*
 - iii) otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or**
- b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph A(6)(a).*

An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph A(6)(a), or an Entity’s gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for purposes of subparagraph A(6)(b), if the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. The term “Investment Entity” does not include an Entity that is an Active NFE because it meets any of the criteria in subparagraphs D(9)(d) through (g).

This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of “financial institution” in the Financial Action Task Force Recommendations.”

FOR THE AVOIDANCE OF DOUBT; ONLY THE ABOVE CRS DEFINITION MAY BE USED FOR CRS REPORTING.

21 July 2016