

GLOSSARY

General Terms

CRS

The OECD Common Reporting Standard (commonly known as 'CRS') refers to the standard for the Automatic Exchange of Financial Account Information in Tax Matters given legislative effect by the Republic of Ireland under Section 891F of the Taxes Consolidation Act 1997.

FATCA

The Foreign Account Tax Compliance Act (commonly known as FATCA) contained in the US Hire Act 2010 and given legislative effect by the Republic of Ireland under Section 891E of the Taxes Consolidation Act 1997 and subsequent regulations.

Beneficial Owners/Controlling Persons

The term "Controlling Persons" means the natural persons who exercise control over an Entity. In the case of a trust, such term means the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, and any other natural person(s) exercising ultimate effective control over the trust, and in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.

In the case of a **company**, the term "Beneficial Owners/Controlling Persons" means any individuals who ultimately own or control 25% or more of the shares or voting rights in the company or otherwise exercise control over the management of the company.

In the case of an **incorporated society**, the term "Beneficial Owners/Controlling Persons" means any individual who ultimately own or control 25% or more of the shares or voting rights in the incorporated society or otherwise exercise control over the management of the incorporated society.

In the case of a **partnership**, the term "Beneficial Owners/Controlling Persons" means any individual who ultimately own or control a 25% or more share of the capital, or profits or voting rights in the partnership, or who otherwise exercise control over the management of the partnership.

In the case of a **Trust**, the term "Beneficial Owners/Controlling Persons" means any of the following:

- any individual who is entitled to or will in the future be entitled to a 25% or greater interest in the trust property;
- the class of individuals in whose interest the trust is set up;
- any individual who has control over the trust (this could include the Settlor) e.g. power to lend/invest trust property; vary the trust; add or remove a beneficiary/trustee.

In the case of an **unincorporated body (club, association, society)**, the term "Beneficial Owners/Controlling Persons" means any individual who benefits from or who exercises control over at least 25% or more of the property of the Unincorporated Entity

Related Entity

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

NFFE and NFE

The term "NFFE" used in FATCA terminology refers to Non-Financial Foreign Entity (i.e. non-US entity that is not a Financial Institution). In CRS, the concept of a "foreign" Entity does not exist so the single terminology "Non-Financial Entity" (NFE) is used. The term "NFE" means any Entity that is not a Financial Institution.

FATCA Definitions:

US Person

A US person means

1. a US citizen or resident individual,
2. a partnership or corporation organised in the United States or under the laws of the United States or any State thereof,
3. a trust if:
 - (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and
 - (ii) one or more US persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This shall be interpreted in line with the US Internal Revenue Code.

Specified US Person

The term Specified US Person means a US Person other than:

- (i) a corporation the stock of which is regularly traded on one or more established securities markets;
- (ii) any corporation that is a member of the same expanded affiliated group, as defined in Section 1471(e)(2) of the US Internal Revenue Code, as a corporation described in clause (i);
- (iii) the United States or any wholly owned agency or instrumentality thereof;
- (iv) any State of the United States, any US Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing;
- (v) any organisation exempt from taxation under section 501(a) or an individual retirement plan as defined in section 7701(a)(37) of the US Internal Revenue Code;
- (vi) any bank as defined in section 581 of the US Internal Revenue Code;
- (vii) any real estate investment trust as defined in section 856 of the US Internal Revenue Code;
- (viii) any regulated investment company as defined in section 851 of the US Internal Revenue Code or any entity registered with the Securities Exchange Commission under the Investment Company Act of 1940 (15 USC. 80a-64);
- (ix) any common trust fund as defined in section 584(a) of the US Internal Revenue Code;
- (x) any trust that is exempt from tax under section 664(c) of the US Internal Revenue Code or that is described in section 4947(a)(1) of the US Internal Revenue Code;
- (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State; or
- (xii) a broker as defined in section 6045(c) of the US Internal Revenue Code.

Foreign

The term foreign means Non-US.

Financial Institution

The term "Financial Institution" means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company as defined in the tax regulations.

Depository Institution

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

Custodial Institution

The term “Custodial Institution” means any entity that earns a substantial portion (at least 20 per cent) of its gross income from the business of holding financial assets for the account of others and the provision of related financial services during the shorter of:

- its last 3 accounting periods, or
- in the period since commencement of business, where the entity has not been in business for 3 years.

Investment Entity

The term investment entity means an entity that primarily conducts as a business, or is managed by an entity that conducts as a business, one or more of the following activities, for or on behalf of a customer:

- trading in:
 - money market instruments (cheques, bills, certificates of deposit, derivatives etc.),
 - foreign exchange,
 - interest rate and index instruments,
 - transferable securities and commodity futures trading,
- individual and collective portfolio management, or
- otherwise investing, administering or managing funds or money on behalf of other persons.

Specified Insurance Company

The term “Specified Insurance Company” means any Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

Partner Jurisdiction

The term “Partner Jurisdiction” means a jurisdiction that has in effect an agreement with the United States to facilitate the implementation of FATCA.

Partner Jurisdiction Financial Institution (including Irish Financial Institutions)

The term “Partner Jurisdiction Financial Institution” means

- (i) any Financial Institution resident in a Partner Jurisdiction (including Ireland and the UK), but excluding any branches of such Financial Institution that are located outside the Partner Jurisdiction, and
- (ii) any branch of a Financial Institution not resident in the Partner Jurisdiction, if such branch is located in the Partner Jurisdiction.

Participating Foreign Financial Institution

A Participating Foreign Financial Institution is a Financial Institution which has entered into an FFI agreement with the Internal Revenue Service (IRS) under section 1471(b) of the Internal Revenue Code and §1.1471-4 of the Treasury Regulations 1 (the FFI agreement) to be treated as a Participating FFI.

Non-Participating Foreign Financial Institution

The term “Non-Participating Financial Institution” means a non-participating FFI, as that term is defined in relevant US Treasury Regulations, but does not include an Irish Financial Institution or other Partner Jurisdiction Financial Institution other than a Financial Institution identified as a Non-Participating Financial Institution pursuant to paragraph 2 of Article 5 of the Irish – US Inter Governmental Agreement.

Deemed Compliant Foreign Financial Institution

An entity will be deemed compliant if it is listed in Part II of Annex II to the Irish – US Inter Governmental Agreement (IGA) or is within the definition

of a Deemed Compliant FFI set out in the US Regulations. There are two categories of deemed compliant institutions – certified or registered.

Certified Deemed Compliant Foreign Financial Institution

(i) Categories of Certified Deemed Compliant Financial Institutions listed in the Agreement include;

- Non Profit Organisations (Charitable organisations that qualify for exemption from tax in accordance with section 848A and Schedule 26A of the Taxes Consolidation Act 1997, or bodies established for the promotion of athletic or amateur games or sports that have been granted exemption from tax in accordance with section 235 of the Taxes Consolidation Act 1997 by the Revenue Commissioners).
- Financial Institutions with a local client base which meets all of the conditions set out in Annex II of the IGA, and
- Certain Collective Investment Vehicles.

(ii) Categories of Certified Deemed Compliant Financial Institutions listed in the US Regulations include;

- Non registering local banks,
- Financial Institutions with only low value accounts,
- Sponsored closely held investment vehicles,
- Limited Life debt investment entities,
- Owner documented Financial Institutions
- Certain Investment advisors and Investment Managers.

Registered Deemed Compliant Financial Institutions

The Financial Institutions falling within this category are not included as Deemed Compliant Financial Institutions under the IGA. However the institutions are regarded as Registered Deemed Compliant Financial Institutions under the US Regulations. As such paragraph 1(q) of Article 1 of the Agreement enables Irish Financial Institutions that comply with the various conditions to qualify for the exemption. Institutions falling within this category are:

- Non-reporting members of a group of related Participating Financial Institutions,
- Restricted funds,
- Qualified credit card issuers,
- Sponsored investment entities, or
- Controlled foreign corporations.

Exempt Beneficial Owner

The term “Exempt Beneficial Owner” means

- (i) The Irish Government, any political subdivision of the Irish Government or any wholly owned agency or instrumentality of any one or more of the foregoing including: The National Treasury Management Agency, The National Pensions Reserve Fund and the National Pensions Reserve Fund Commission, and, The National Asset Management Agency;
- (ii) The office in Ireland of any institution of the European Union, of the European Investment Bank, the European Bank for Reconstruction and Development, or of any organisation to which the Diplomatic Relations and Immunities Acts 1967 – 2006 apply;
- (iii) a Central Bank; or
- (iv) A pension trust and any other organisation, as referred to in Article 4(1)(c) (Residence) of the Convention, established in Ireland and maintained exclusively to administer or provide retirement or employee benefits.

Excepted Foreign Financial Institution (Excepted FFI)

The term Excepted FFI refers to the following types of entities which are excluded from the FFI definition;

- (i) Holding companies engaged in non-financial business
- (ii) Start-up companies for non-financial business
- (iii) Liquidating or reorganizing non-financial entities
- (iv) Group hedge/financial company which is non-financial and restricted to affiliates
- (v) Organised in U.S. Territory

Global Intermediary Identification Number (GIIN)

The term GIIN refers to an identification number that is assigned to certain financial institutions by the U.S. Internal Revenue Service.

Active NFFE

An Active NFFE is defined as any NFFE that meets one of the following criteria.

1. Less than 50 per cent of the NFFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 per cent of the assets held by the NFFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income.
2. The stock of the NFFE is regularly traded on an established securities market or the NFFE is a related entity of an entity the stock of which is traded on an established securities market;
3. The NFFE is organised in a US Territory and all of the owners of the payee are bona fide residents of that US Territory;
4. The NFFE is a non-US government, a government of a US Territory, a political subdivision of such government (which, for the avoidance of doubt, includes a state, province, county, or municipality), or a public body performing a function of such government or a political subdivision thereof, an international organisation, a non-US central bank of issue, or an entity wholly owned by one or more of the foregoing;
5. Substantially all of the activities of the NFFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an NFFE shall not qualify for this status if the NFFE functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
6. The NFFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution; provided, that the NFFE shall not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFFE;
7. The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
8. The NFFE primarily engages in financing and hedging transactions with or for related entities that are not Financial Institutions, and does not provide financing or hedging services to any entity that is not a related entity, provided that the group of any such related entities is primarily engaged in a business other than that of a Financial Institution;
9. The NFFE is an "Excepted NFFE" as defined in US Regulations;
10. The NFFE meets all of the following requirements:

(i) It is established and maintained in its country of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organization, business league, chamber of commerce, labor organization,

agricultural or horticultural organization, civic league or an organization operated exclusively for the promotion of social welfare;

- (ii) It is exempt from income tax in its country of residence;
- (iii) It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
- (iv) The applicable laws of the entity's country of residence or the entity's formation documents do not permit any income or assets of the entity to be distributed to, or applied for the benefit of, a private person or non-charitable entity other than pursuant to the conduct of the entity's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the entity has purchased; and
- (v) The applicable laws of the entity's country of residence or the entity's formation documents require that, upon the entity's liquidation or dissolution, all of its assets be distributed to a governmental entity or other non-profit organization, or escheat to the government of the entity's country of residence or any political subdivision thereof.

Passive Income

The term "passive income" means the portion of gross income that consists of

1. Dividends, including substitute dividend amounts;
2. Interest;
3. Income equivalent to interest, including substitute interest and amounts received from or with respect to a pool of insurance contracts if the amounts received depend in whole or part upon the performance of the pool;
4. Rents and royalties, other than rents and royalties derived in the active conduct of a trade or business conducted, at least in part, by employees of the NFFE;
5. Annuities;
6. The excess of gains over losses from the sale or exchange of property that gives rise to passive income described in items 1 to 5;
7. The excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any commodities, but not including-
 - a. Any commodity hedging transaction described in section 954(c) (5)(A) of the US Revenue Code, determined by treating the entity as a controlled foreign corporation; or
 - b. Active business gains or losses from the sale of commodities, but only if substantially all the foreign entity's commodities are property described in paragraph (1), (2), or (8) of section 1221(a) of the US Revenue Code;
8. The excess of foreign currency gains over foreign currency losses;
9. Net income from "notional principle contracts". These are financial instruments that provide for the payment of amounts by one party to another at specified intervals calculated by reference to a specified index upon a notional principal amount in exchange for specified consideration or a promise to pay similar amounts;
10. Amounts received under cash value insurance contracts; or
11. Amounts earned by an insurance company in connection with its reserves for insurance and annuity contracts.

Passive NFFE

A Passive NFFE is a NFFE that is not (i) an Active NFFE, or (ii) a withholding foreign partnership or withholding foreign trust pursuant to relevant U.S. Treasury Regulations.

CRS Definitions:

Active Non-Financial Entity (Active NFE)

The term "Active NFE" means any NFE that meets any of the following criteria:

- a) less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;
- b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;
- c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;
- d) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
- e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;
- f) the NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;
- g) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or
- h) the NFE meets all of the following requirements:
 - i) it is established and operated in its jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence and it is a professional organisation, business league, chamber of commerce, labour organisation, agricultural or horticultural organisation, civic league or an organisation operated exclusively for the promotion of social welfare;
 - ii) it is exempt from income tax in its jurisdiction of residence;
 - iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;
 - iv) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents do not permit any income or assets of the NFE to be distributed to, or applied for the benefit of, a private person or non-charitable Entity other than pursuant to the conduct of the NFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFE has purchased; and
 - v) the applicable laws of the NFE's jurisdiction of residence or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence or any political subdivision thereof.

Passive Non-Financial Entity (Passive NFE)

The term "Passive NFE" means any: (i) NFE that is not an Active NFE; or (ii) an Investment Entity described in subparagraph A(6)(b) that is not a Participating Jurisdiction Financial Institution.

Investment Entity

The term "Investment Entity" means any entity:

that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:

- a) 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;
- b) individual and collective portfolio management; or
- c) otherwise investing, administering, or managing financial assets or money on behalf of other persons; or 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 (a) above.

An entity is treated as primarily conducting as a business one or more of the activities described in (a), or an entity's gross income is primarily attributable to investing, reinvesting, or trading in financial assets for purposes of (b), if the entity's gross income attributable to the relevant activities equals or exceeds 50 per cent 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 Non-Financial Entity because it meets any of the criteria in (iv) to (vii) in the definition of Active Non-Financial Entity.

TIN

The term "TIN" means the entity or individual's Tax Identification Number.