

DEFINITIONS AND KEY TERMS

Collection of tax status is required by the ATO from 1 July 2017 in accordance with the Foreign Account Tax Compliance Act (FATCA) and Common Reporting Standard (CRS). The table below explains the key FATCA and CRS related terms introduced in the ID Forms.

If you are unsure speak to your financial Adviser or accountant.

KEY TERM	MEANING
Global Intermediary Identification Number (GIIN)	A Global Intermediary Identification Number (GIIN) is a unique ID number that non-US financial institutions receive from the IRS when they register as a financial institution for FATCA.
Financial Institution (FI)	<p>A financial institution is an entity (e.g. company, partnership or trust) that engages in one of the following:</p> <ul style="list-style-type: none">> accepts deposits in the ordinary course of a banking or similar business (depository institution);> holds as a substantial portion of its business (equals or exceeds 20 percent of the entity's gross income) financial assets for the account of others (custodial institution);> is an investment entity including entities that trade in financial assets or that are investing, administering, managing funds, money, or certain financial assets on behalf of other persons> is an insurance company; or> is an entity that is a holding company or treasury centre that is a part of a group that includes one of the above.
FATCA Status	<p>Where a financial institution does not have a GIIN they will need to provide their FATCA status. This status can ONLY be one of the following:</p> <ol style="list-style-type: none">1. Non reporting IGA FI (listed in Annex II of an IGA)2. Deemed compliant FI3. Excepted FI4. Exempt beneficial owner5. Non participating FI6. GIIN applied for but not yet issued.7. US Financial Institution <p><i>Entities that are financial institutions should be aware of their FATCA status. More information can be found at http://www.irs.gov/fatca</i></p>

KEY TERM	MEANING
<p>Charity</p>	<p>An NFE that meets all of the following criteria:</p> <ol style="list-style-type: none"> 1. 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 2. it is exempt from income tax in its jurisdiction of residence 3. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets 4. 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 5. 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.
<p>Non-Financial Entity (NFE)</p>	<p>An NFE means any entity that is not a financial institution. An NFE may be an Active NFE or a Passive NFE.</p>
<p>Active Non-Financial Entity or Active NFE</p>	<p>An NFE that meets any one of the following definitions:</p> <ul style="list-style-type: none"> > 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. > 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. > A Charity.
<p>Passive NFE</p>	<p>A passive NFE means any NFE that is not an Active NFE.</p>
<p>Controlling Persons</p>	<p>A Controlling Person is any 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.</p>