

Jurisdiction Details

Please note, jurisdiction information within this brochure is as of August 2015; however, tax amnesty and other information for the below jurisdictions have been updated.

Visit the Private Bank website at www.privatebank.citibank.com/TaxTransparency for the latest information related to these jurisdictions.

Argentina
Brazil
Canada
Chile
Colombia
Cyprus
France
Germany
India
Indonesia
Israel
Italy
Japan
Malaysia
Mexico
Norway
Russia
South Africa
Spain
Sweden
Switzerland
The Netherlands
Turkey
United Kingdom

This information is made available for general reference only. It does not constitute legal or tax advice. Citigroup Inc. (Citi), its affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citi and its affiliates. These materials are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Citi and its affiliates comply with applicable laws and regulations. This information was prepared by tax experts at a non-affiliated third party at Citi's request for your general reference only. While Citi aims to acquaint you with current and imminent tax transparency initiatives around the globe, we encourage you to seek third party professional advice regarding your personal tax situation.

Private Bank

Tax Transparency: A Rapidly Emerging Global Trend



Overview

Governments across the globe are increasingly focused on maximizing their residents' tax compliance by obtaining greater information about the financial accounts that such residents hold in other jurisdictions.

Accordingly, supranational organizations and many countries are increasing and coordinating their efforts to achieve greater global tax transparency through tax agreements, to establish an extensive exchange of information between countries about financial accounts held by their residents offshore.

This is a consequence of both longstanding regimes such as the taxation of interest in the EU, pursuant to the EU Savings Directive (EUSD), and more recent regimes such as the US Foreign Account Tax Compliance Act (FATCA) regime, as well as upcoming developments such as the recommendations of the Financial Action Task Force (FATF) and the pending automatic exchange of information between a large number of countries worldwide under the Common Reporting Standard (CRS) developed by the Organization for Economic Co-operation and Development (OECD).

Tax transparency has become an international trend – more transparency means more exchange of information on tax matters, expected to eventually impact all countries and financial institutions alike.

These regimes will provide detailed account information to the tax authority in the account holder's country of tax residence, including information about accounts held indirectly through personal investment companies (PICs), trusts and other investment entities. Account information that is disclosed would include clients' identities, their assets, and their sources of income.

Many regimes require that such account information be provided automatically, on an annual basis. Governments will match this information with an individual's tax declaration. Where the information on such foreign income corresponds to the individual's tax declaration, the likelihood that the individual is engaged in tax evasion is considered greatly diminished.

To encourage and assist residents in achieving full compliance, several countries have introduced voluntary

disclosure facilities for existing accounts held offshore, which typically offer reduced penalties and immunity for residents who voluntarily disclose non-compliant offshore accounts per conditions outlined by the program. This "window of opportunity" will likely be closed once the automatic exchange of information has fully taken effect.

On an international scale, the trend to exchange information between fiscal authorities, rather than having a withholding system in place, can be seen in many countries.

While banking secrecy and privacy laws are still in effect in many countries, they will begin to lose their importance. In jurisdictions with banking secrecy or data protection rules, there have been arrangements that allow for the application of withholding taxes in lieu of disclosure of details of accounts.

However, recently implemented and upcoming transparency initiatives will eventually remove these arrangements and require financial institutions to share information with foreign governments on a broader and more extensive basis.

Numerous offshore financial centers like Switzerland, Singapore and the Channel Islands have recently signed agreements with other countries to introduce laws and rules for tax transparency.

Finally, some countries have discussed declared-money-only regulations (sometimes also referred to as a "white money strategy") which allow financial intermediaries to only manage assets where sufficient assurance has been obtained that these assets have been appropriately declared for tax purposes.

The last few years have seen a steady increase in the number of different regimes to ensure the tax compliance of offshore accounts. By requiring greater exchange of information on financial matters, countries with substantial foreign direct investments can avoid being considered an offshore tax haven and a destination for untaxed assets. Many authorities are determined that banking secrecy will not constitute an obstacle to exchanging information.

This information is made available for general reference only. It does not constitute legal or tax advice. Citigroup Inc. (Citi), its affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citi and its affiliates. These materials are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Citi and its affiliates comply with applicable laws and regulations. This information was prepared by tax experts at a non-affiliated third party at Citi's request for your general reference only. While Citi aims to acquaint you with current and imminent tax transparency initiatives around the globe, we encourage you to seek third party professional advice regarding your personal tax situation.

This information is provided as of August 2015. However, as the environment is rapidly changing, please consult with your tax advisor to be sure you have up-to-date information. Citi and its affiliates make no representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein.

Note that all references to "resident," "residents" or "residence" is intended to be a reference to tax resident, tax residents or tax residence, under the applicable tax laws.

Anticipated impact to clients of all financial institutions

These developments may impact you as an accountholder as follows:

- Information about you and your offshore investments will increasingly be subject to disclosure to tax authorities in your country (or countries) of tax residence – either through an automatic exchange or in response to a request by fiscal authorities pursuant to the existing and upcoming transparency initiatives discussed in this document.
- You may be required to provide information about both your residency for tax purposes and your compliance with the tax laws of your residence country, to open and possibly to maintain an account. In some countries, this may further require that you provide a certification from a tax advisor or accountant, confirming your compliance with tax filing obligations.
- You may be required to provide more detailed information on indirect accountholders (e.g., persons affiliated with corporate or trust structures), and entities in which you hold an interest.
- As new regimes are still evolving and the timing of their introduction and the application of these rules will vary across different countries, banks and other financial institutions may contact you multiple times requesting additional information.

Globally, financial institutions are required to collect and report to fiscal authorities more client information and documentation to support this exchange of information between tax authorities.

Tax laws and regulations are complex. It is therefore important that you carefully review your tax compliance status, familiarize yourself with any relevant voluntary disclosure programs that might be available, and consult your tax advisors if needed.

How to make this document most useful for you

This document has two key sections to further provide information on these regimes:

- **Cross-border tax information sharing and related regimes by jurisdiction:** summary of which regimes impact select jurisdictions or countries and relevance of voluntary disclosure for that country

Please contact your Private Bank team or visit www.privatebank.citibank.com/TaxTransparency, for more detailed information on the selected countries

- **Selected regimes overview:** provides further information on eight of the key regimes associated with tax transparency disclosure programs currently available to their residents

Cross-border tax information sharing and related regimes by jurisdiction summary

Tax Transparency involves the cross-border flow of account information. It is implemented pursuant to local jurisdiction tax laws and inter-country tax sharing agreements, and generally will require financial institutions to provide account information to the indicated tax authority of a client.

The following table summarizes the various cross-border tax information sharing regimes that are either currently being implemented or are soon to be implemented in numerous countries.

The table also provides an indication of whether certain countries generally tax their residents on their worldwide income and whether they have voluntary disclosure programs currently available to their residents.

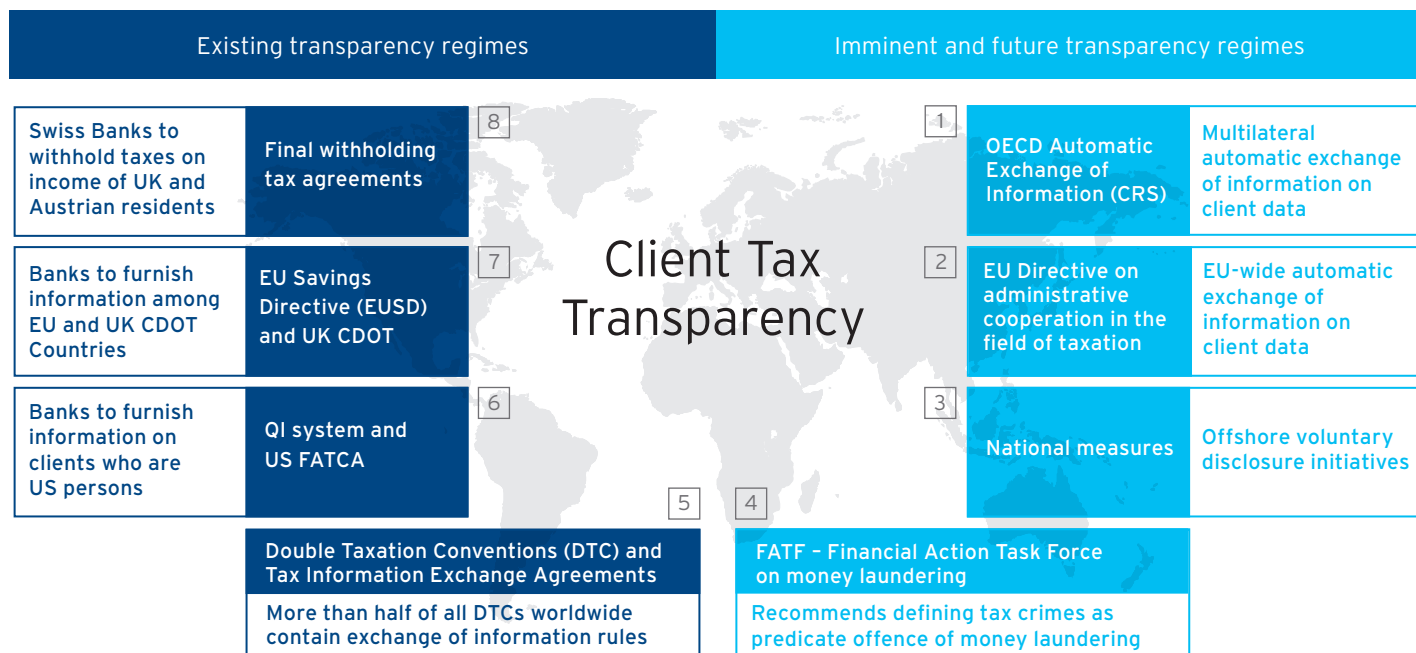
For specific information on a jurisdiction listed, please visit the Private Bank website at www.privatebank.citibank.com/TaxTransparency, or contact your Private Banker.

Jurisdiction of Tax Residence or Account Location	Automatic Information Reporting				Treaty-Based Exchange of Information upon request	Voluntary Disclosure Program	Residents or Domiciles Taxed on Worldwide Income
	US FATCA	UK CDOT	EU Savings Directive ¹	OECD CRS ²			
Argentina	n/a	n/a	n/a	✓ (A)	✓	✓	✓ ⁷
Australia	✓	n/a	n/a	✓ (B)	✓	✓ ⁸	✓ ⁷
Austria	✓	n/a	✓	✓ (B)	✓	✓ ⁸	✓
Bahamas	✓	n/a	n/a	✓ (B)	✓	n/a ³	n/a ⁴
Belgium	✓	n/a	✓	✓ (A)	✓	No	✓ ⁷
Brazil	✓	n/a	n/a	✓ (B)	✓	✓	✓
British Virgin Islands	✓	✓	✓	✓ (A)	✓	n/a ³	n/a ⁴
Canada	✓	n/a	n/a	✓ (B)	✓	✓	✓ ⁷
Cayman Islands	✓	✓	n/a	✓ (A)	✓	n/a ³	n/a ⁴
Chile	✓	n/a	n/a	✓ (A)	✓	✓	✓ ⁷
China	✓	n/a	n/a	✓ (B)	✓	No	✓
Colombia	✓	n/a	n/a	✓ (A)	✓	✓	✓
Cyprus	✓	n/a	✓	✓ (A)	✓	n/a ³	n/a ⁴
Egypt	n/a	n/a	n/a	n/a	✓	No	✓
France	✓	n/a	✓	✓ (A)	✓	✓	✓
Germany	✓	n/a	✓	✓ (A)	✓	✓	✓ ⁷
Greece	✓	n/a	✓	✓ (A)	✓	✓	✓ ⁷
Guernsey	✓	✓	✓	✓ (A)	✓	n/a ³	n/a ⁴
Hong Kong	✓	n/a	n/a	✓ (B)	✓	No	No
India	✓	n/a	n/a	✓ (A)	✓	✓	✓
Indonesia	✓	n/a	n/a	✓ (B)	✓	✓	✓
Ireland	✓	n/a	✓	✓ (A)	✓	✓ ⁸	✓
Isle of Man	✓	✓	✓	✓ (A)	✓	n/a ³	n/a ⁴
Israel	✓	n/a	n/a	✓ (B)	✓	✓	✓ ⁷
Italy	✓	n/a	✓	✓ (A)	✓	✓	✓ ⁷
Japan	✓	n/a	n/a	✓ (B)	✓	✓	✓ ⁷
Jersey	✓	✓	✓	✓ (A)	✓	✓ ³	n/a ⁴
Jordan	n/a	n/a	n/a	n/a	✓	n/a ³	n/a ⁴
Kuwait	✓	n/a	n/a	n/a	✓	n/a ³	No
Lebanon	n/a	n/a	n/a	n/a	✓	No	No
Liechtenstein	✓	n/a	✓	✓ (A)	✓	✓ ³	✓
Luxembourg	✓	n/a	✓	✓ (A)	✓	n/a ³	n/a ⁴
Malaysia	✓	n/a	n/a	✓ (B)	✓	✓	No
Mexico	✓	n/a	n/a	✓ (A)	✓	✓	✓ ⁷
Monaco	✓	n/a	✓	✓ (B)	✓	n/a ³	n/a ⁴
Nigeria	n/a	n/a	n/a	n/a	✓	No	✓
Norway	✓	n/a	n/a	✓ (A)	✓	✓	✓ ⁷
Panama	✓	n/a	n/a	n/a	✓	n/a ³	n/a ⁴

Jurisdiction of Tax Residence or Account Location	Automatic Information Reporting				Treaty-Based Exchange of Information upon request	Voluntary Disclosure Program	Residents or Domiciles Taxed on Worldwide Income
	US FATCA	UK CDOT	EU Savings Directive ¹	OECD CRS ²			
Philippines	✓	n/a	n/a	n/a	✓	No	✓
Qatar	✓	n/a	n/a	✓ (B)	✓	n/a ³	n/a ⁴
Russia	✓	n/a	n/a	✓ (B)	✓	✓	✓ ⁷
Saudi Arabia	✓	n/a	n/a	✓ (B)	✓	n/a ³	✓
Singapore	✓	n/a	n/a	✓ (B)	✓	n/a ³	n/a ⁴
South Africa	✓	n/a	n/a	✓ (A)	✓	✓	✓ ⁷
South Korea	✓	n/a	n/a	✓ (A)	✓	✓ ³	✓ ⁷
Spain	✓	n/a	✓	✓ (A)	✓	✓	✓ ⁷
Sweden	✓	n/a	✓	✓ (A)	✓	✓	✓ ⁷
Switzerland	✓	n/a	✓	✓ (B)	✓	✓	✓
Taiwan	✓	n/a	n/a	n/a	✓	No	✓
Thailand	✓	n/a	n/a	n/a	✓	No	✓
The Netherlands	✓	n/a	✓	✓ (A)	✓	✓	✓
Turkey	✓	n/a	n/a	✓ (B)	✓	✓	✓
United Arab Emirates	✓	n/a	n/a	✓ (B)	✓	n/a	No
United Kingdom	✓	✓	✓	✓ (A)	✓	✓	✓ ^{5, 7}
United States	✓	n/a	n/a	n/a	✓	✓	✓ ^{6, 7}
Uruguay	n/a	n/a	n/a	✓ (A)	✓	No	✓
Venezuela	n/a	n/a	n/a	n/a	✓	No	✓

1. EU savings Directive applies to interest income and is either an information reporting regime or, alternatively, a tax withholding regime, at the option of the recipient.
2. CRS will be phased by country as follows:
(A) CRS reporting of 2016 account information, to be filed in 2017 and annually thereafter.
(B) CRS reporting of 2017 account information, to be filed in 2018 and annually thereafter.
3. Voluntary Disclosure Regimes are generally applicable to residents and are generally not applicable to non-residents with investment accounts booked or placed in the country in question. Accordingly, jurisdictions marked as “not applicable” for voluntary disclosure programs typically have: (a) no tax or very low tax on residents with offshore accounts, making voluntary disclosure programs for residents not applicable, or, (b) significant inbound offshore investments held by non-residents but far less significant outbound offshore investments owned by residents, making voluntary disclosure programs for offshore accounts held by residents immaterial.
4. Taxation of worldwide income is generally relevant to residents and is generally not relevant to non-residents who have investment accounts booked or placed in the country in question.
5. UK may tax non-domiciliaries differently than domiciliaries. Generally, UK resident domiciliaries are taxed on world-wide income. However UK resident non-domiciliaries may be taxed on a remittance basis if certain conditions are met.
6. US taxes citizens and residents on their worldwide income.
7. The taxable worldwide income of a resident individual includes certain types of income (typically passive income) of certain Controlled Foreign Corporations (CFCs). Thus, an individual owning a controlling interest (as defined under applicable local law) in a personal investment company may be taxed directly on certain income of that personal investment company.
8. There is a general disclosure program not specifically focused on offshore accounts remediation.
9. n/a: are not applicable for the regime / jurisdiction.

Imminent and future regimes (1 - 4) will greatly impact client tax transparency, more so than existing regimes (5 - 8), as described further below.



Selected regimes overview

1. OECD Automatic Exchange of Information (CRS)

At the behest of the G8 and G20 countries, the OECD published its proposal for a “Common Reporting Standard” (CRS) and a bilateral agreement (Competent Authority Agreement, or CAA) in February 2014.

Both are intended to govern the automatic exchange of information with respect to tax matters. The path to the CRS was largely paved by the FATCA rules. In general, the CAA and the CRS require the exchange of client data, which the corresponding financial institutions must collect in the participating countries.

As with FATCA, the CRS also requires that natural persons that control the accounts be identified, irrespective of whether they are direct account holders (“individual accounts”) or “controlling persons” behind structures or companies that are not transparent for tax purposes (“entity accounts”).

By doing so, the CRS aims to close a limitation of previous information systems, such as the EU savings tax. Thus, the information that transferred will not just cover the natural persons who have an account relationship at a financial institution in another country; in addition, beneficial owners who have organized their investments via foreign private investment companies, trusts and foundation structures or similar legal arrangements, must also be reported.

Banks are required to furnish the data pertaining to their offshore clients to their national tax authorities, who will exchange the data with the relevant foreign tax authorities on an annual basis. As the exchange of information standard

evolves over time, the banks might need to contact their clients and solicit additional information on an ongoing basis.

Exhaustive information is required on different categories of income (including all income resulting from derivative transactions) as well as on the value of all assets.

The exchange of information will start in 2017 for early adoption in 58 countries (see map below) and will cover personal and account information. Data will be captured in 2016 for reporting in 2017. Approximately 40 further countries will follow in 2018 (based on the personal and account data captured in 2017).

2. European Union Council Directive on Administrative Cooperation in the field of taxation (DAC)

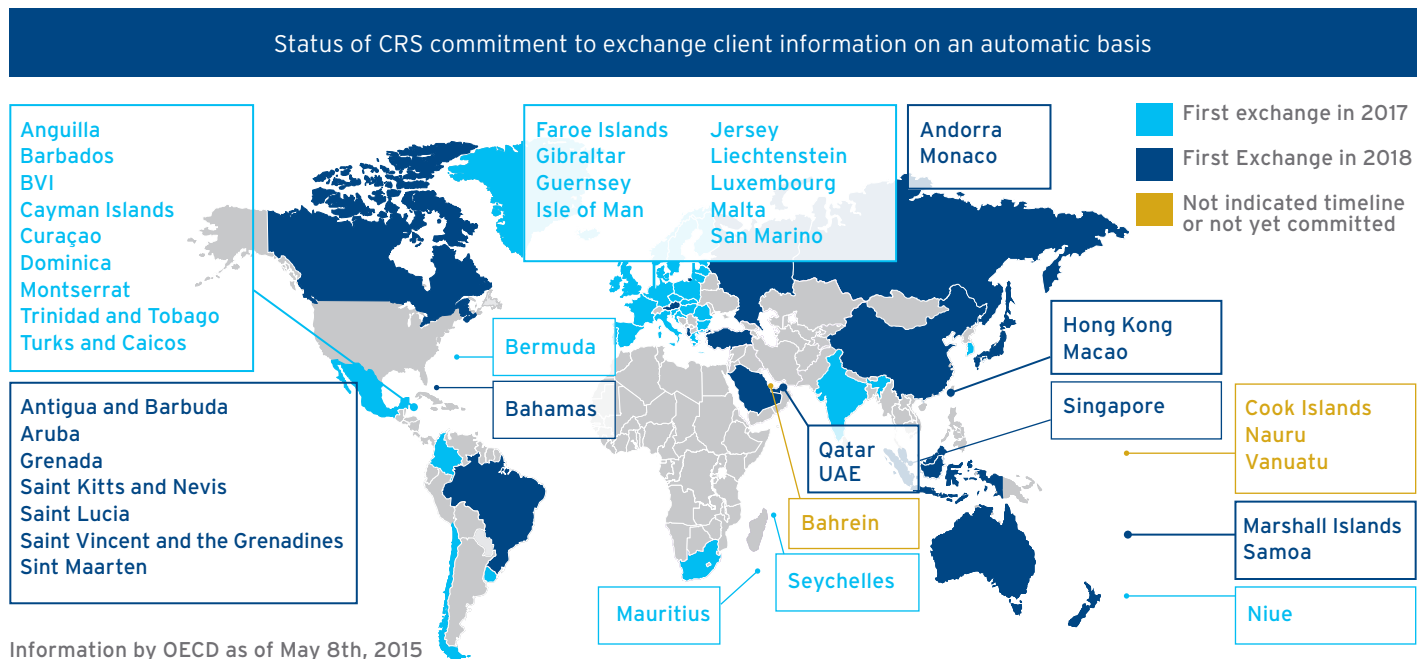
Based on a directive first drafted in 2011 and subsequently amended in 2014, all financial institutions located in EU member countries are required to start exchanging information on accounts held there on an automatic and annual basis starting in 2017.

Information will be exchanged pertaining to accounts held in a financial institution located in one member country by a person resident in another EU member country.

This provides the framework for the implementation of OECD’s CRS in the EU and conceptually the exchange of information follows the mechanisms defined in the OECD’s CRS (see above). Interest, dividends and similar payments will be reported along with gross proceeds from the sale of financial assets as well as account balances.

Natural persons holding accounts directly in addition to persons who control certain types of companies and legal arrangements (such as foundations or trusts) will be subject to reporting if they are tax residents in an EU member country.

The early adopter countries intend to commence the exchange of information in 2017, based on the account information (income and value of assets) collected during calendar year 2016. The US has indicated the intention to embed certain CRS standards in their reciprocal FATCA intergovernmental agreements.



Eventually, some non-EU countries will also be tied into this system of the exchange of information between EU member states. For example, in May 2015, Switzerland was the first country to sign an agreement with the EU that covers the automatic exchange of information. The agreement requires that banks in Switzerland capture financial information on their clients who are resident in any of the EU member countries during 2017 and exchange this information with the respective country starting in 2018. Reciprocally, banks in EU member countries will send information on their clients who are resident in Switzerland to the Swiss tax authorities in 2018.

3. National measures (Voluntary Disclosure Programs)

In order to ease the process of declaring assets and income streams which have not yet been declared, many countries have initiated voluntary disclosure programs. These programs often provide for a reduction or elimination of penalties and immunity if all undeclared assets are completely and properly disclosed.

Once voluntary disclosure programs come to an end, heightened enforcement measures can usually be expected, in instances where undeclared offshore assets are subsequently discovered.

As a result, various regulators and industry bodies have been recommending that banks within their jurisdictions contact their clients in order to advise them of facilities available in their country of residence in order to avail of them, as appropriate. It should be noted that making use of such programs usually requires a complete and detailed current and historical disclosure of account data to the home country tax authorities and would therefore likely require the assistance from a qualified accountant or tax adviser.

In addition, it should be noted that in August 2015, the OECD published a report that provided detailed updates on the voluntary disclosure programs in 47 countries. The website to this report is available at the end of this document.

4. Financial Action Task Force on money laundering

The FATF, which is part of the OECD, was established over 25 years ago, to combat money laundering on a worldwide basis.

FATF's explicit goal is improved transparency, specifically requiring financial service providers to collect reliable information about the beneficial ownership and control of companies, trusts, and other legal persons or legal arrangements.

In 2012, FATF added serious tax offences to the list of offences for money laundering. The effect of this measure was to bring the proceeds from serious tax offences, such as tax fraud, within the realm of authorities that investigate money laundering. Generally, money laundering investigations can be far more pervasive and intrusive than those previously associated with investigations of tax offences.

This approach is already in effect in countries like United Kingdom and Jersey, while Singapore and Hong Kong have recently implemented this. Switzerland and India, as well as other countries, will follow in the near future.

5. Double Taxation Conventions (DTC) / Tax Information Exchange Agreements

In addition to automatic exchange of information such as CRS (discussed above) and FATCA (discussed below), there are numerous tax treaties, also referred to as Double Taxation Conventions ("DTC") and similar Tax Information Exchange Agreements, where countries agree to exchange tax information, typically upon request.

Nearly 50% of the DTCs currently in place worldwide already contain provisions for an exchange of taxpayer-specific information between the fiscal authorities upon request.

New DTCs generally contain a provision for an exhaustive exchange of information.

Most of the new DTCs also provide for a so-called group request under which fiscal authorities can ask the other country for information pertaining to a group of taxpayers that show patterns of behavior (e.g., clients investing in certain products or clients showing disproportionately high assets relative to their income).

The OECD work in the field of the Common Reporting Standard and the automatic exchange of information on taxpayers is a result of the wide-ranging discussion among countries on the enhancement of the DTC framework.

6. The US QI system and US FATCA (Foreign Account Tax Compliance Act) regimes

Under the long-existing US Qualified Intermediary (QI) regime of 2001 and the new, more expansive, US FATCA regime, which took effect in 2014, all financial institutions worldwide are required to identify all of their US clients. Once these clients have been identified, their names and information pertaining to income received by them, and in some cases, their assets, must be reported to the US fiscal authorities (IRS).

Unlike the QI program, FATCA also requires the transfer of information on US persons who are beneficial owners of certain types of legal entities that primarily serve as wealth holding structures. This means that US persons will be reported if they are shareholders or controlling persons of companies or beneficiaries of trusts, foundations and similar entities.

Albeit only affecting US persons and, through reciprocal reporting agreements, non-US persons with US sourced income, FATCA was taken as a blueprint for the automatic exchange of information on taxpayers worldwide.

7. EU Savings Directive (EUSD)

In 2005, the EU implemented an EU-wide system of exchanging information on interest income that a resident of an EU country derives from holding assets at a bank in another EU member country. Although Switzerland is not an EU member country, Switzerland has also been tied into this system by way of an agreement with the EU.

With some countries (notably Switzerland, Austria and Luxembourg) still using an alternative withholding system, the EU has made it very clear that a full reporting of interest income remains the overarching goal of the EUSD.

In the UK, there is a set of intergovernmental agreements on information exchange. These agreements are referred to as the "UK CDOT regime." Crown Dependencies and Overseas Territories ("CDOT") include Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Gibraltar, Guernsey, the Isle of Man, Jersey, Monserrat and the Turks and Caicos Islands. Under the UK CDOT agreements, there is annual reporting of information to the UK tax authority regarding accounts in the CDOT territories held by UK residents. In certain cases, there is also reciprocal reporting with respect to accounts in the UK held by residents of CDOT territories. The website to these rules is available below.

8. Final withholding tax agreements

Effective January 1, 2013, Switzerland entered into final withholding tax agreements with the UK and Austria. Under this agreement, Swiss banks are required to withhold taxes from income streams paid to UK or Austrian resident clients and pay such withholding to the UK or Austrian fiscal authorities. In doing so, the clients' tax obligations are deemed satisfied in their home countries and the clients' names will not be disclosed. Clients can also elect to have their names and details of income and gains within their accounts disclosed to the UK or Austrian tax authorities as an alternative to the application of withholding tax.

Both the EU Savings Directive interest taxation and final withholding tax agreements are likely to become obsolete once the automatic exchange of information has entered into force.

For further information, please access the following official sites:

FATCA: <http://www.irs.gov/Businesses/Corporations/Foreign-Account-Tax-Compliance-Act-FATCA>

UK CDOT: <https://www.gov.uk/government/publications/automatic-exchange-of-information-agreements-other-uk-agreements/automatic-exchange-of-information-agreements-other-uk-agreements>

OECD CRS: <http://www.oecd.org/ctp/exchange-of-tax-information/automatic-exchange-of-financial-account-information.htm>

OECD Voluntary Disclosure facilities: <http://www.oecd.org/ctp/exchange-of-tax-information/Voluntary-Disclosure-Programmes-2015.pdf>

Citi Private Bank is a business of Citigroup Inc. ("Citigroup"), which provides its clients access to a broad array of products and services available through bank and non-bank affiliates of Citigroup. Not all products and services are provided by all affiliates or are available at all locations. Neither Citigroup nor any of its affiliates provides tax or legal advice.

This document is made available for general guidance only. Citigroup Inc., its affiliates, and its employees are not in the business of providing tax or legal advice to any taxpayer outside of Citigroup Inc. and its affiliates. These materials are not intended or written to be used, and cannot be used or relied upon, by any such taxpayer for the purpose of avoiding tax penalties. Any such taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

Citi and Citi with Arc Design are registered service marks of Citigroup Inc. or its affiliates.