



## INSTRUCTIONS

- a. Foreign Financial Institution [FFI] – Means any non-US financial institutions that is a – (1) Depository institution – accepts deposits in the ordinary course of banking or similar business; (2) Custodian institution – as a substantial portion of its business, hold financial assets for the accounts of others; (3) Investment entity – conducts a business or operates for or on behalf of a customer for any of the activities like trading in money market instruments, foreign exchange, foreign currency, etc. or individual or collective portfolio management or investing, administering or managing funds, money or financial assets on behalf of other persons; or an entity managed by this type of entity; or (4) Insurance company – entity issuing insurance products i.e. life insurance; (5) Holding or Treasury company – entity that is part of an expanded affiliate group that includes a depository, custodian, specified insurance company or investment entity
- b. Related Entity - an entity is a "Related Entity" of another entity if one controls the other, or the two entities are under common control (where control means direct or indirect ownership of more than 50% of the vote or value in an entity)
- c. Non-financial foreign entity [NFFE] – Non-US entity that is not a financial institution [including a territory NFFE]. Following NFFEs are excluded from FATCA reporting – (a) Publicly traded corporation / listed companies; (b) Related Entity of a listed company; and (c) Active NFFE
- d. Active NFFE – Any one of the following –

Code	Sub-Category
01	Less than 50 percent of the NFFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and less than 50 percent 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
02	The NFFE is organized in a U.S. Territory and all of the owners of the payee are bonafide residents of that U.S. Territory
03	The NFFE is a government (other than the U.S. government), 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, a government of a U.S. Territory, an international organization, a non-U.S. central bank of issue, or an Entity wholly owned by one or more of the foregoing
04	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 entity shall not qualify for NFFE 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
05	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 organization of the NFFE
06	The NFFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganizing with the intent to continue or recommence operations in a business other than that of a Financial Institution
07	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
08	<p>– Any NFFE is a 'non for profit' organization which meets all of the following requirements:</p> <ul style="list-style-type: none"> <li>• 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 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;</li> <li>• It is exempt from income tax in its jurisdiction of residence;</li> <li>• It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</li> <li>• The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents do not permit any income or assets of the NFFE 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 NFFE's charitable activities, or as payment of reasonable compensation for services rendered, or as payment representing the fair market value of property which the NFFE has purchased; and</li> </ul>

The applicable laws of the NFFE's jurisdiction of residence or the NFFE's formation documents require that, upon the NFFE'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 NFFE's jurisdiction of residence or any political subdivision thereof.

- e. Expanded affiliated group – One or more chains of members connected through ownership (50% or more, by vote or value) by a common parent entity if the common parent entity owns stock or other equity interests meeting the requirements in atleast one of the other members
- f. Passive NFFE - means any 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
- g. Passive Income – portion of gross income that consists of dividends, interest, 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), income equivalent to interest / amount received from pool of insurance contracts, annuities, excess of gains over losses from the sale or exchange of property / from transactions (including futures, forwards or similar transactions) in any commodities but not including (i) any commodity hedging transaction, determined by treating the entity as a controlled foreign corporation or (ii) active business gains or losses from the sale of commodities but only if substantially all the foreign entity's commodities are property, excess of foreign currency gains over losses, net income from notional principal contracts, amounts received under cash value insurance contracts, amounts earned by insurance company in connection with its reserves for insurance and annuity contracts
- h. Controlling Persons - means the natural persons who exercise control over an entity. In the case of a trust, such term means the settlor, the trustees, the protector (if any), the beneficiaries or class of beneficiaries, and any other natural person 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" shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations.



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