UniCredit Bank

DEFINITIONS OF THE TYPES OF ENTITIES AND OTHER TERMS LISTED IN THE SELF-CERTIFICATION OF TAX RESIDENCY FOR ENTITIES

Non-financial Entity (NFE)

Any Entity that is not a Financial Institution.

Active non-financial Entity

An Entity that is not a Financial Institution and for whom less than 50 % of the 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. Passive income would generally be considered to include the portion of gross income that consists of:

a) dividends;

b) interest;

c) income equivalent to interest;

d) rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the entity;

e) annuities;

f) the excess of gains over losses from the sale or exchange of Financial Assets that gives rise to the passive income described previously

If your non-financial entity does not meet the criteria above, see below a list of complete definitions of an active NFE. If the non-financial entity does not meet any of the criteria, define it as a passive NFE.

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 Member State or other jurisdiction of residence exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its Member State or other 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 Member State or other jurisdiction of residence;

   iii. it has no shareholders or members who have a proprietary or beneficial interest in its income or assets;

   iv. he applicable laws of the NFE's Member State or other 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 Member State or other 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 Member State or other jurisdiction of residence or any political subdivision thereof.

Governmental Entity

The government of a Member State or other jurisdiction, any political subdivision of a Member State or other jurisdiction (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of a Member State or other jurisdiction or of any one or more of the foregoing (each, a "Governmental Entity"). This category is comprised of the integral parts, controlled entities, and political subdivisions of a Member State or other jurisdiction.

International Organisation

Any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation (including a supranational organisation) (i) that is comprised primarily of governments; (ii) that has in effect a headquarters or substantially similar agreement with the Member State; and (iii) the income of which does not inure to the benefit of private persons.

Central Bank

An institution that is by law or government sanction the principal authority, other than the government of the Member State itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the Member State, whether or not owned in whole or in part by the Member State.

Related Entity

An Entity is a "Related Entity" of another Entity if (i) either Entity controls the other Entity; (ii) the two Entities are under common control; or (iii) the two Entities are Investment Entities, are under common management, and such management fulfils the due diligence obligations of such Investment Entities. For this purpose, control includes direct or indirect ownership of more than 50 % of the vote and value in an Entity.

Passive non-financial Entity

a) NFE that is not an Active NFE; or

b) an Investment Entity that is not a Participating Jurisdiction Financial Institution.

Financial Institution

A Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

Custodial Institution

Any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity's gross income attributable to the holding of Financial Assets and related financial services equals or exceeds 20 % of the Entity's gross income during the shorter of: (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or (ii) the period during which the Entity has been in existence.

Depository Institution

Any Entity that accepts deposits in the ordinary course of a banking or similar business.

Specified Insurance Company

Any Entity that is an insurance company (or the holding company of an insurance company) which issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.

Investment Entity

Any Entity:

a) which 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).

Participating Jurisdiction

a) any other Member State;

b) any other jurisdiction (i) with which the Member State concerned has an agreement in place pursuant to which that jurisdiction will provide information; and (ii) which is identified in a list published by that Member State and notified to the European Commission;

c) any other jurisdiction (i) with which the Union has an agreement in place pursuant to which that jurisdiction will provide information; and (ii) which is identified in a list published by the European Commission.

If you are still unsure about your entity's classification, complete relevant legislation can be found in Council Directive 2014/107/EU.