

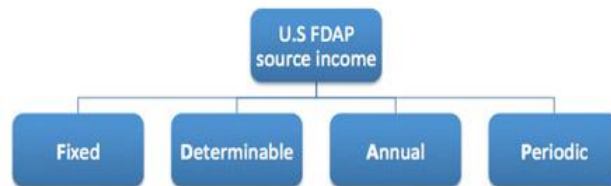
To our customer with American Ties

What is FATCA?

FATCA is Foreign Account Tax Compliance Act aimed to obtain information of U.S tax evaders worldwide.

The Act mandates [Financial Institutions](#) to:

- ◆ Identify U.S persons holding financial accounts outside U.S and investors from other countries investing in U.S;
- ◆ Report on U.S Individual and Legal Entity's foreign financial assets; and
- ◆ Impose 30% withholding tax on any U.S FDAP* source income paid to [recalcitrant](#) and [NPF](#) customers.



*U.S FDAP source income examples are annuities, dividends, emoluments, interest, premiums, remunerations, rental, salary, wages, etc.

The following types of customers are required to disclose information for FATCA compliance:-

Individual	Legal Entity
◆ Individual with U.S citizen or Tax Resident or Greencard holder	◆ Legal Entity that is U.S incorporated or with U.S address
◆ Non-U.S individual with U.S indicia	◆ Passive Non U.S Legal Entity with U.S Beneficial Owner

RHB must abide to FATCA requirements as it is registered with the U.S Inland Revenue Service (IRS) and had obtained a valid GIIN.

Is it applicable to me or my organization?

Individual Customers

FATCA applies to you if you have the following [U.S indicia](#) which determine your FATCA status:

- ◆ U.S citizen or resident - *possess either U.S passport, U.S Green Card, [Substantial Presence Test](#)*
- ◆ U.S place of birth
- ◆ U.S residence address, mailing address or P.O. Box
- ◆ U.S telephone number
- ◆ [Standing instructions](#) to pay a U.S account

Legal Entity Customers

FATCA applies to all legal entity customers.

To determine your FATCA status or classification, you may need to refer to your tax advisor or visit U.S Inland Revenue Service (IRS) website at www.irs.gov/FATCA for further details.

Please take note that RHB is not in the position to advice you on your tax status or classification.

What should I do if FATCA is applicable to me or my organisation?

You are required to declare your FATCA status and provide documentary evidence.

What type of FATCA documentary evidence is required?

The following U.S Inland Revenue Service (IRS) forms are required:

Type	Particulars	U.S	Non U.S
Individual	U.S Citizen or Green card holder or Fulfill Substantial Presence Test	W-9 Form	N/A
	U.S Place of Birth		W-8BEN Form and Certificate of Loss of Nationality
	U.S Address		W-8BEN Form
	U.S Telephone Number		
	SI to U.S Account		
	Customer with "in care of" address or a 'hold mail" address		
	A power of attorney granted to a person with U.S address		
Legal Entity	Foreign Financial Institution (FFI)	N/A	Valid Global Intermediary Identification Number (GIIN)
Legal Entity	U.S Legal Entity that is U.S incorporated or with U.S address	W-9 Form	N/A
	Passive Non U.S Legal Entity with U.S Beneficial Owner	W-9 Form	N/A
	All other types of Non-U.S Legal Entity	N/A	W-8BEN-E Form

What will happen if I/ my organisation refuse to disclose the required information?

The bank may impose 30% withholding tax on U.S FDAP source income or terminate relationship with the customer.

What do I/ my organisation have to do if there is any change in my/ my organisation's details or FATCA status?

For any changes of customer's details, the customer is required to inform and provide necessary documentary evidence to RHB within 30 days of change.

Where can I get more information on FATCA?

You can find detailed information on FATCA at www.irs.gov/FATCA

When will the requirements take effect?

Effective date of FATCA for the following customers:

- ◆ For Individual – 1st July 2014
- ◆ For Legal Entity – 1st January 2015

FATCA Public FAQs

Glossary

Beneficial owner	Person who benefits from the profit or income made by the company/ legal entity.
FATCA	Foreign Account Tax Compliance Act.
Financial Institution	Financial Institution means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company
GIIN	Global Intermediary Identification Number (GIIN) means the identification number that is assigned to a participating FFI or registered deemed-compliant FFI. Global Intermediary Identification Number also includes the identification number assigned to a reporting Model 1 FFI for purposes of identifying such entity to withholding agents. All GIINs will appear on the IRS FFI list.
Legal Entity	Legal Entity are customer who are classified as below: <ul style="list-style-type: none">◆ Association and Societies◆ Sole proprietor◆ Partnership◆ Trust or Nominees◆ Corporations◆ Government and entity wholly owned by government◆ Other registered entities.
NPFI	Non Participating Financial Institution is a financial institution that does not have a valid agreement with U.S IRS to comply with FATCA requirements and standards.
Passive Non U.S Legal Entity	Passive Non U.S Legal Entity are entity with 50% or more of the Non U.S Legal Entity's gross income for the preceding calendar year or other appropriate reporting is passive income and more than 50 percent of the assets held by the Non U.S Legal Entity during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income. Under the context of FATCA, passive income consists of: <ul style="list-style-type: none">◆ Dividends, including substitute dividend amounts;◆ Interest;◆ 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;◆ Rents and royalties;◆ Annuities;◆ Excess of gains over losses from the sale or exchange of property that gives rise to passive income described in the U.S Treasury Regulations;◆ Excess of gains over losses from transactions (including futures, forwards, and similar transactions) in any commodities, but not including:<ul style="list-style-type: none">• Any commodity hedging transaction described in the U.S Treasury Regulations, determined by treating the entity as a controlled foreign corporation;• Active business gains or losses from the sale of commodities, but only if substantially all the foreign entity's commodities are property described in U.S Treasury Regulations.◆ Excess of foreign currency gains over foreign currency losses;◆ New income from notional principal contracts defined in U.S Treasury Regulations;◆ Amount received under cash value insurance contracts.
Recalcitrant	Customer who refuses to provide or disclose FATCA information/ documentary evidence i.e.: W-9, W-8BEN. W-8BEN-E.
SI	Standing instruction for the bank to pay recurring amount to an account maintained in U.S.
Substantial Presence Test	Physically present in U.S for at least 31 days during the current year and 183 days during the 3 years period.
U.S Beneficial Owner	U.S Beneficial Owner must be either U.S citizen or U.S tax resident.
U.S. Indicia	Indication that an individual is a U.S Person. Possession of U.S indicia does not mean that the client will be classified as a U.S person. U.S indicia is just an indicator.

Last updated: March 2015