



REPUBLIC OF SAN MARINO

We the Captains Regent of the Most Serene Republic of San Marino

Having regard to Article 4 of Constitutional Law no. 185/2005 and to Article 6 of Qualified Law no. 186/2005;

Hereby promulgate and order the publication of the following Ordinary Law, approved by the Great and General Council during its sitting of 24 November 2015:

LAW NO. 174 OF 27 NOVEMBER 2015

INTERNATIONAL TAX COOPERATION

TITLE I GENERAL PROVISIONS

Art. 1 (Purposes)

1. This Law shall regulate international tax cooperation implemented by the Republic of San Marino to enforce international, bilateral or multilateral agreements concluded with foreign countries or jurisdictions.
2. The Congress of State shall be committed to strengthening cooperation and administrative assistance through the signing of agreements with the relevant States and jurisdictions, with particular reference to agreements to avoid double taxation and for the exchange of information according to OECD standards and models.

Art. 2 (International Agreements)

1. The agreements referred to in Article 1, paragraph 1 shall be the following:
 - a) Multilateral Convention on Mutual Administrative Assistance in Tax Matters signed in Jakarta on 21 November 2013 (MAC);
 - b) bilateral agreements to ensure exchange of information in tax matters on request according to OECD standards (TIEAs);
 - c) bilateral agreements to eliminate double taxation according to OECD standards and including the provisions on exchange of information on request (DTAs);

- d) the agreement with the Government of the United States of America (IGA SM) and relevant technical arrangements to implement FATCA tax compliance standard;
 - e) any other international agreement providing for international tax cooperation, referred to by the ratifying measure in San Marino legal system for the enforcement of this Law.
2. This Law shall cover the agreements implementing the aforesaid arrangements, even if the effectiveness thereof is not dependent on ratification.

Art. 3
(Reservations)

1. When concluding international agreements, the Republic of San Marino, if relevant conditions are met and insofar as compatible, may express reservations to harmonise the international instrument with San Marino system.

Art. 4
(International standards)

1. International standards shall constitute criteria and guidelines established and formalised within international bodies, relating to the application of tax cooperation including, but not limited to, the OECD Global Standard for Automatic Exchange of Financial Account Information and the OECD Standard on Exchange of Information on Request (Model Agreement on Exchange of Information on Tax Matter and Article 26 of the Model Tax Convention on Income and on Capital).
2. In implementing international tax cooperation, the Republic of San Marino shall apply the standards mentioned in this Law within the limits established therein.

Art. 5
(Definitions)

1. For the purposes of this Law, the following definitions shall apply:
 - a) "System administrator": public or private party that keeps the system in operation, deals with its maintenance, extension and operation;
 - b) "CLO": Central Liaison Office;
 - c) "Common Reporting Standard (CRS)": rules and procedures for the identification, verification and reporting of financial information on an automatic basis under the Global Standard;
 - d) "Competent Authority Agreement (CAA)": agreement between competent authorities;
 - e) "The like": offences with the same level of wrongfulness as tax fraud under the laws of San Marino. The single cases falling within the categories of "The like" shall be defined in the framework of the international agreements signed by the Republic of San Marino;
 - f) "Electronic communication": exchange or transmission of information and data to one or more specific parties other than the data subject, the data processor and the person in charge of the processing, through a telecommunications network;
 - g) "Convention on Mutual Administrative Assistance in Tax Matters (MAC)": Convention on Mutual Administrative Assistance in Tax Matters of 1988, signed by San Marino in Jakarta on 21 November 2013;
 - h) "Anonymous data": data that originally or following processing cannot be associated to any identified or identifiable data subject;
 - i) "Personal data": any information relating to identified or identifiable individuals, legal persons or entities;

- l) "Rights of data subjects": rights of access to personal data of data subjects and other rights under Article 11 of Law no. 70 of 23 May 1995;
- m) "Double Taxation Agreement (DTA)": bilateral agreement for the avoidance of double taxation on the basis of the OECD standard;
- n) "Foreign Account Tax Compliance Act (FATCA)": U.S. act for the acquisition of financial information for tax purposes relating to U.S. holders of accounts maintained by foreign financial institutions;
- o) "Foreign Financial Institutions Agreement (FFI Agreement)": agreement establishing the requirements for a reporting San Marino financial institution to be considered as compliant with the requirements of the relevant section of the U.S. Internal Revenue Code;
- p) "Guarantor": data protection guarantor referred to in Chapter V of Law no. 70/1995;
- q) "Global Standard": OECD Global Standard for Automatic Exchange of Financial Account Information in Tax Matters, consisting of the Model Competent Authority Agreement on the Automatic Exchange of Financial Account Information (CAA) and of the Common Reporting Standard (CRS);
- r) "Digital Identity": all information and the resources provided by a computer system to a particular user following an identification process. Digital identity consists of two parts: the identity, where the recognition of the individual is a fundamental part, and the credentials, which represent the attributes of that identity and which can be modified according to authorised activities;
- s) "IGA SM": intergovernmental agreement between the Republic of San Marino and the Government of the United States of America for the application of FATCA tax compliance measures;
- t) "Person in charge of the processing": the individual authorised to perform processing operations by the data controller or processor;
- u) "Communication": All information that the data controller shall provide to the data subject, after the collection of personal data, under Article 8 of Law no. 70/1995 on the purposes and methods of the processing;
- v) "Data subject": any individual, legal person or entity to whom the personal data refer;
- z) "Internal Revenue Service (IRS)": U.S. tax authority;
- aa) "Security measures": set of technical and organisational procedures, electronic devices or computer software used to ensure that data are accessed by authorised persons, are processed for the purposes for which they were collected and in accordance with the law, and to avoid loss or destruction (even accidental) of data;
- bb) "Multilateral Competent Authority Agreement (MCAA)": Multilateral Agreement between Competent Authorities;
- cc) "AML legislation": all regulatory provisions and instructions of the Financial Intelligence Agency on the prevention and combating of money laundering and terrorist financing;
- dd) "OECD": Organisation for Economic Co-operation and Development;
- ee) "Data processor": the individual, linked to the controller through the performance of services, or belonging to a third legal person, entrusted by the controller with the processing of personal data;
- ff) "Telecommunications networks": set of equipment, software required for their operation and control of connectors, either public, private or mixed, which allow the transmission of information and data between network termination points, transforming data into electromagnetic signals;
- gg) "Tax Information Exchange Agreement (TIEA)": agreement on exchange of tax information based on the OECD standard;
- hh) "Data controller": the individual or legal person determining the purposes and means of the processing of personal data and the instruments used, including the security profile;

- ii) "Beneficial owner": the individual falling within the definition referred to in Article 1, paragraph 1, letter r) of Law no. 92 of 17 June 2008 and subsequent amendments, including in the instructions issued, from time to time, by the Financial Intelligence Agency;
- ll) "Processing": any operation or set of operations relating to data collection, recording, organisation, storage, consultation, treatment, alteration, selection, retrieval, use, blocking, disclosure, dissemination, erasure and destruction;
- mm) "Wider Approach": the principle contained in the framework of the Global Standard relating to the application of customer due diligence procedures to all non-resident customers, regardless of whether information is exchanged with the customer's jurisdiction of residence.

TITLE II

COMPETENT AUTHORITY AND OTHER STAKEHOLDERS IN INTERNATIONAL TAX COOPERATION

Art. 6

(Central Liaison Office)

1. The Central Liaison Office (CLO), already established by Law no. 95 of 18 June 2008, shall be designated as the Competent Authority to implement and build upon the administrative cooperation and exchange of information in tax matters, in accordance with the international agreements referred to in Article 2.
2. The CLO shall not be responsible for cooperation with foreign authorities involved in the supervision of financial systems.

Art. 7

(Requirements and incompatibilities of CLO staff)

1. The Director shall be appointed by the Great and General Council (Parliament) upon proposal of the Congress of State (Government), which shall determine the relevant remuneration and contractual arrangements. The term of office shall be five years with possible renewal for only a further five-year period.
2. The Official, also acting as Deputy Director, shall be appointed by the Congress of State, which shall determine the relevant remuneration and contractual arrangements. The term of office shall be five years with possible renewal.
3. The Director and the Official shall hold a master degree in law or economic sciences or finance or equivalent degrees pursuant to Law no. 161 of 5 October 2011, including under the former system. They shall also have specific skills and adequate experience.
4. CLO staffing needs shall be defined by the delegated decree referred to in Chapter II, Title V of Law no. 188 of 5 December 2011.
5. The position of CLO Director, Official and staff in general shall be incompatible with the mandate of member of the Great and General Council, as well as with offices in the governing bodies of professional associations and associations of self-employed workers, trade unions and political parties and movements. In this regard, also the provisions laid down by Law no. 41 of 22 December 1972, Law no. 108 of 31 July 2009 and Law no. 141. of 5 September 2014 shall apply.
6. The Director shall independently regulate the organisation and operational functioning of the Office by adopting guidelines and specific operational manuals.
7. The Official shall assist the Director in the performance of his/her functions and, if the latter is absent or indisposed, he/she shall perform the duties as Deputy Director.

8. In order to perform statutory functions, CLO staff shall participate in the work and activities of the international organisations of reference according to the instructions given by the Director.

9. CLO staff shall be required to participate in specific training courses, which are also useful to achieve qualifications and positions within the same international organisations to represent the Republic of San Marino.

Art. 8

(Secrecy requirement)

1. CLO staff and anyone collaborating with CLO in the performance of its functions shall be bound by the strictest secrecy on any matters regarding the activity of CLO and its relations with third parties. Any information, records and data held by CLO in the framework of its activities shall be covered by official secrecy. The staff shall continue to be bound by official secrecy also after termination of the employment or cooperation relationship with CLO.

2. Anyone who, even unintentionally, acquires information regarding the activity of CLO as a result of any relationship established with it shall also be bound by secrecy.

3. Secrecy shall not be invoked against the Judicial Authority when the information requested is necessary in the framework of investigations into criminally punishable tax violations.

Art. 9

(Powers and functions)

1. CLO, as the competent authority for the implementation of the exchange of information based on international standards, shall have access, either directly or through the parties referred to in Article 12, to the information required to establish this form of cooperation.

2. CLO shall also have the power of access to information on the basis of other forms of international cooperation to combat fraud, the like, swindling and distortions in the economic relations with other States and jurisdictions in the field of indirect taxes. In this case, the limitation referred to in Article 8, paragraph 3 shall not apply.

3. The powers referred to in this Article shall be exercised regardless of whether the conduct constitutes an alleged criminal offence.

4. For the performance of its tasks, CLO shall apply the procedures provided for in appropriate guidelines and operating manuals, prepared in line with international standards and regularly adopted by CLO. These measures shall be drawn up also on the basis of the indications provided by the tax administration on international cooperation.

5. CLO shall also be responsible for the issuance of guidelines implementing the provisions of this Law, which shall be complied with by the parties subject to the obligations arising from such provisions.

Art. 10

(Autonomy and independence)

1. CLO shall operate autonomously and independently in the fulfilment of its institutional tasks and shall report on relevant issues to the Minister of Finance and Budget and, if necessary, through the Minister, to the Congress of State.

2. CLO shall be required to annually submit to the Great and General Council, through the Minister of Finance and Budget, a general report on the activities carried out.

Art. 11

(Non-invocability of bank and professional secrecy)

1. Bank secrecy referred to in Article 36 of Law no. 165 of 17 November 2005 and subsequent amendments shall not be invoked against CLO while performing its functions. CLO may also have direct access to information held by financial system operators. Moreover, neither official nor professional secrecy shall be invoked against CLO.
2. As partial derogation from paragraph 1 and in accordance with OECD international standards on limitations to exchange of information, those enrolled in the Register of Lawyers and Notaries Public and those enrolled in the Register of Accountants (holding a university degree or a high school certificate) may invoke against CLO their professional secrecy in relation to information they receive while performing their task of defending or representing their client during judicial proceedings or in connection with such proceedings, including advice on initiating or avoiding proceedings, where such information is received or obtained before, during or after said proceedings.
3. The provisions referred to in Law no. 70/1995 shall not apply in the context of the exchange of information to implement the agreements referred to in Article 2, subject to compliance with the provisions on data confidentiality contained therein and those referred to in Title V.

Art. 12

(Relations with other offices and Authorities)

1. In carrying out its functions, CLO:
 - a) may rely on the cooperation of the Tax Office, the Commercial Registry of the Court, the Office for Control and Supervision over Economic Activities, the Office of Industry, Handicraft and Trade, the IT, Technology, Data and Statistics Organisational Unit and other offices of the Public Administration;
 - b) may request the cooperation of the Corps of the Police Department, in particular the Fraud Squad of the Civil Police, for the acquisition of information and retrieval of documents held by relevant stakeholders;
 - c) may request the cooperation of the Central Bank of the Republic of San Marino and of the Financial Intelligence Agency for a thorough analysis of banking and financial aspects, without prejudice to Law no. 165/2005 and subsequent amendments;
 - d) the aforementioned offices and Authorities, as well as any other party, shall be required to process requests in the manner and within the time specified by CLO.
2. Specific memoranda of understanding between the CLO and, respectively, the Office for Control and Supervision over Economic Activities, the Central Bank, the Financial Intelligence Agency, the Tax Office shall define the forms of mutual cooperation and of access to available data and information. Similar memoranda may be concluded with other offices and Authorities.

Art. 13

(Access to information and data)

1. CLO shall have access, including through electronic means, to the integral versions, without any limitations, of the data and information available in records, archives, electronic databases and professional registers kept by public administrations, public entities and professional associations.
2. CLO shall also access data and information available at the Central Bank and the Financial Intelligence Agency, in the form and manner established by the agreements and memoranda referred to in Article 12.
3. CLO shall have access to all information held by the Office of the Trust Register, as is the case for the parties already identified in Article 2, paragraph 4 of Delegated Decree no. 50 of 16 March 2010.

Moreover, in the exercise of its functions, it may request directly to the trustee to show the Book of Events referred to in Article 28, paragraph 5 of Law no. 42 of 1 March 2010.

4. CLO, in the exercise of public functions, shall have access to the customer register established with the Central Bank by Decree-Law no. 65 of 14 May 2009, in the manner, forms and terms set forth in the memoranda referred to in Article 12.

5. The data and information held by public administrations, public entities and professional associations shall be made available to CLO, upon written reasoned request, in relation to the purposes and powers set out in Article 9.

6. For the same purposes and powers specified in paragraph 5, CLO, upon simple request, may have access to registers, archives, data or information held by the Police Authority and Single Court, including criminal records. The data and information regarding judicial activity shall be provided to CLO, upon prior authorisation by the judge and only for the tasks assigned to CLO.

7. The data and information acquired by CLO may be used exclusively for the exercise of the functions provided for by law.

8. The data acquired by CLO through direct access to the centralised databases of the Public Administration may be exchanged with foreign authorities without any validation by the Office or Entity holding the database.

Art. 14

(Other authorities involved)

1. Subject to the forms of cooperation already provided for in Article 12, in order to comply with the cooperation carried out under the international instruments adopted by the Republic of San Marino, specific responsibilities may be accorded by this Law and the provisions contained therein to other national authorities for their respective tasks connected with the performance of the activities under the agreements referred to in Article 2.

TITLE III EXCHANGE OF INFORMATION

CHAPTER I EXCHANGE OF INFORMATION ON REQUEST

Art. 15

(Rules and criteria for exchange of information on request)

1. Exchange of information on request, provided for in the agreements referred to in Article 2, shall apply when a State requests to another State specific tax information relative to a particular taxpayer, provided that such information is foreseeably relevant to the application of domestic law of the requesting State. Before making a request, the State shall be required to pursue and exhaust all means available in its own territory to obtain the information.

2. Sending and receipt of requests for information between the competent authorities shall be in compliance with the following:

- a) the provisions contained in the agreements referred to in Article 2;
- b) indications established by the OECD in the Manual on the Implementation of Exchange of Information Provisions for Tax Purposes - Module 1 on Exchange of Information on Request and subsequent amendments, unless contrary to the provisions of the agreements referred to in Article 2 and those referred to in this Law.

3. The modalities of cooperation through exchange of information on request with the Government of the United States of America, in accordance with IGA SM agreement, shall be established by the provisions of said agreement and by those of Article 20 hereunder.

Art. 16

(Assessment of requests received)

1. Before starting internal procedures to obtain the information requested by a foreign authority, CLO shall verify the elements of the request by assessing whether it is admissible with respect to what established by the agreements, the provisions of this Law and the measures contained therein.
2. In case the request is valid and complete, CLO shall obtain, either directly or indirectly, the requested information for exchange purposes.
3. If CLO deems the request inadmissible on account of incomplete information or for the reasons indicated in Article 17 hereunder, it shall immediately inform the competent authority of the requesting State thereof, which may supplement the request or send a new, correct request.

Art. 17

(Reasons for the decline of a request)

1. CLO shall not provide the forms of assistance regulated by this Chapter when:
 - a) it is established that the requesting party has not pursued all means available in its own territory to obtain the information, except where recourse to such means would give rise to disproportionate difficulty;
 - b) processing the request and disclosing the information to the requesting party would be contrary to public policy (*ordre public*);
 - c) the requests do not contain sufficient elements to demonstrate the foreseeable relevance of the requested information for the administration or enforcement of the domestic laws of the requesting States or jurisdictions;
 - d) the request is not detailed and contains generic references and/or indications according to which the request could be considered a “fishing expedition” (term used in the context of the OECD) or an indiscriminate attempt to obtain information.
2. CLO shall not exchange information:
 - a) that would disclose any trade or industrial secret or trade process;
 - b) that would reveal confidential communications between a client and a professional referred to in paragraph 2 of Article 11, where such communications contain:
 - 1) information provided as legal advice;
 - 2) information provided for the purposes of use in existing or contemplated legal proceedings.
3. CLO may decline a request for information if the information is requested by the requesting Party to administer or enforce a provision of the tax law of the requesting Party, or any requirement connected therewith, which discriminates against a San Marino citizen as compared with a citizen of the requesting Party in the same circumstances.
4. CLO shall not be required to provide information which is neither held by San Marino authorities nor in the possession or control of individuals or legal persons that are within the Republic of San Marino.
5. In any case, CLO shall not exchange information if the request is not made in accordance with the applicable agreement.

Art. 18

(Measures for the collection of information)

1. Without prejudice to the provisions of Title II, CLO may collect information directly from persons holding or controlling the requested information.
2. The collection referred to in paragraph 1 may take place:

- a) based on direct request, which shall:
 - 1) be made in writing and transmitted with appropriate means to verify receipt;
 - 2) contain useful elements to identify the requested information;
 - 3) make express reference to any provisions regarding the confidentiality of the request;
 - 4) indicate any modality and time to process the request;
 - b) requiring the collaboration of the offices and the authorities referred to in Article 13 according to their respective competence and functions.
3. With reference to paragraph 2, the establishment of time-limits shall take into account the reasonable period of time required to process the request, also considering its complexity.

Art. 19

(Request for information to foreign authorities)

1. A request for tax information to foreign authorities shall be made by CLO:
 - a) at the request of San Marino competent offices or authorities as part of tax control and assessment activities covered by the agreements referred to in Article 2;
 - b) on its own initiative;
 - 1) to perform the tasks of preventing and combating the offences referred to in Article 9, paragraph 2, based on the elements developed by San Marino competent offices and authorities;
 - 2) to obtain information related to those referred to in letter a) necessary to the assessment and control activity of the financial administration.
2. The request referred to in paragraph 1 shall contain the elements and be made in the manner envisaged by the agreements and by the provisions of this Law.

Art. 20

(Exchange of information between competent authorities in accordance with IGA SM agreement)

1. In accordance with IGA SM agreement, CLO shall meet the requests made by the competent U.S. authority in the manner envisaged by said agreement.
2. The U.S. competent authority may:
 - a) make a series of requests to CLO on the basis of the aggregate information provided to the IRS by reporting financial institutions based on the FFI agreement and on the provisions of this Law;
 - b) make follow-up requests to CLO to those referred to in letter a) for additional information with respect to any non-consenting U.S. accounts, including the account statements prepared in the ordinary course of the reporting San Marino financial institution's business that summarise the activity (including withdrawals, transfers and closures) of the account.
3. CLO shall provide to the U.S. competent authority the information requested by it pursuant to paragraph 2, without regard to whether San Marino financial administration needs such information for its own tax purposes or whether the information relates to the investigation of conduct that would constitute a crime under the laws of San Marino.
4. If the information available to CLO is not sufficient to meet the requests, the latter shall take the necessary measures by exercising the powers envisaged in Title II and applying the provisions of Article 18.
5. With respect to a group request from the U.S. competent authority referred to in paragraph 2, letter a), CLO shall, within six months of the receipt of the group request, provide the U.S. competent authority with all such requested information in the same format in which the information would have been reported if it had been reported directly to the IRS. CLO shall notify any delays in the exchange of requested information to the U.S. competent authority and to the relevant

reporting San Marino financial institution. In this case, the provisions of paragraph 7 of Article 33 shall apply to the reporting San Marino financial institution. CLO shall in any case provide the U.S. competent authority with the requested information in the shortest possible time.

6. The arrangement between the competent authorities referred to in Article 4, paragraph 3 of IGA SM may establish rules and procedures to implement the provisions of this Article.

Art. 21

(Exchange of information on request in the framework of agreements for the automatic exchange of information)

1. Without prejudice to the provisions of Article 20, if the agreements referred to in Article 24, paragraph 1, letter b) envisage any forms of exchange of information on request, CLO shall act as the competent authority by applying the provisions referred to in Title III, Chapter I, insofar as compatible.

CHAPTER II SPONTANEOUS EXCHANGE OF INFORMATION

Art. 22

(Rules and criteria for spontaneous exchange of information)

1. With the spontaneous exchange of information under Article 26 of the OECD Model Convention and Article 7 of the Multilateral Convention (MAC), the competent authorities of a State shall disclose, without any prior request, some information in their possession to the competent authority of another interested State.

2. Sending and receipt of requests for information between the competent authorities shall be in compliance with the formalities and indications established by the OECD in the Manual on the Implementation of Exchange of Information Provisions for Tax Purposes - Module 2 on Spontaneous Exchange of Information and subsequent amendments, unless contrary to the provisions of the agreements referred to in Article 2 and those referred to in this Law.

Art. 23

(Application circumstance)

1. Spontaneous exchange of information, provided for by the instruments mentioned in Article 22, may take place mainly when there are reasonable grounds to believe that there may be a tax loss to the treasury of the other contracting State.

CHAPTER III AUTOMATIC EXCHANGE OF INFORMATION

Art. 24

(Application)

1. The provisions of this Title III, Chapter III shall govern automatic exchange of information envisaged:

- a) in Article 6 of the Multilateral Convention (MAC) implemented in accordance with the Global Standard for Automatic Exchange of Financial Account Information;
- b) in the agreement between the European Community and the Republic of San Marino providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments and the relevant Memorandum of Understanding,

signed in Brussels on 7 December 2004, as amended by the Protocol initialled on 26 October 2015 in view of the following signing and ratification;

- c) in international agreements complying with the Global Standard for Automatic Exchange of Financial Account Information;
 - d) in the intergovernmental agreement with the Government of the United States of America (IGA SM) relative to the Foreign Account Tax Compliance Act (FATCA).
2. Automatic exchange of information shall take effect from the date indicated in the above-mentioned agreements in relation to the periods indicated therein.
 3. For the purposes of this Law, the agreements referred to in paragraph 1 shall be generally indicated as “relevant agreements”.
 4. Any reference made in the text to the Global Standard or CRS shall be understood as extended also to the agreement referred to in paragraph 1, letter b), unless otherwise indicated.

Art. 25

(Definitions referred to in the standards)

1. For the purposes of automatic exchange of information, the definitions set out in the standards and in the agreements referred to in Article 24 and included in Annex A shall be used, insofar as compatible with the terms defined in this Law.
2. San Marino financial institutions shall be authorised, for the purposes of the provisions contained in this Law, of IGA SM and of the FFI Agreement, to use the definitions contained in the regulations of the U.S. Treasury Department, provided this does not prejudice the purposes of this Law and of the above-mentioned agreements.

Art. 26

(Reporting Financial Institution)

1. For the purposes of this Law, “Reporting Financial Institution” shall mean any party falling within the definition of “Reporting Financial Institution” under the relevant agreement.
2. The following parties shall fall within the definition of Reporting Financial Institution provided they do not fall within the definition of “Non-Reporting Financial Institution” under the relevant agreements:
 - a) financial businesses;
 - b) any other party falling within the definition of financial institution in accordance with the relevant agreement and established in the territory of the Republic of San Marino;
 - c) permanent establishments in the territory of San Marino of foreign financial institutions.
3. The requirements provided for in this Law shall not apply to permanent establishments located abroad of financial institutions established in the Republic of San Marino.
4. With reference to FATCA, the parties meeting the requirements for qualifying as “exempt beneficial owners other than funds” and as “funds that qualify as exempt beneficial owners” shall not fall within the definition of Reporting Financial Institution.

Art. 27

(Reportable Account)

1. For the purposes of this Chapter III, “Reportable Account” shall mean a financial account that meets the following conditions:
 - a) the account falls within the definition of financial account under the relevant agreement;
 - b) the account is registered:
 - 1) with reference to the CRS, in the name of one or more individuals not residing in the territory of the Republic of San Marino, or of one or more Passive Non-Financial Entities, as

defined in the relevant agreement, controlled by one or more individuals not residing in the territory of the Republic of San Marino;

- 2) with reference to FATCA, in the name of one or more U.S. citizens wherever resident, or of one or more Passive Non-Financial Entities, as defined in the relevant agreement, controlled by one or more U.S. citizens wherever resident;
 - c) the parties referred to in letter b), point 1) reside in a State or jurisdiction falling within the definition of "Participating Jurisdiction" under the CRS, with which information is exchanged;
 - d) the account is maintained with the Reporting Financial Institution:
 - 1) with reference to the CRS, as of 31 December 2015 or starting from a date later than the latter;
 - 2) with reference to FATCA, as of 30 June 2014 or starting from a date later than the latter;
 - e) the account also has the characteristics provided for:
 - 1) with reference to the Global Standard, in Section VIII, letter D of the CRS;
 - 2) with reference to FATCA, in IGA SM Agreement;
 - f) the account does not fall within the definition of excluded account under the relevant agreement.
2. Due diligence requirements under Article 28 shall not apply to excluded accounts.
 3. The Reporting Financial Institution shall identify reportable accounts by applying the due diligence procedure for the purposes of automatic exchange provided for in this Law in accordance with the relevant agreements.
 4. The Reporting Financial Institution shall apply the account balance aggregation and currency rules provided for in the relevant agreements in order to determine whether the account falls within the definition of reportable account. The account balance aggregation and currency rules are provided for:
 - a) with reference to the Global Standard, in Section VII, letter C of Annex B;
 - b) with reference to IGA SM, in Section VI of Annex C.
 5. For the purposes of the relevant agreement and of this Law, in applying the account balance aggregation and currency rules, an account balance that has a negative value shall be treated as having a nil value.
 6. The list of States and jurisdictions with which automatic exchange of information is active for the purposes of the Global Standard shall be published and updated through Congress of State (Government) Decision.
 7. A financial account opened in the name of more than one party shall become a reportable account even if only one of the parties meets the requirements indicated in paragraph 1, letters b) and c).
 8. A financial account may be subject to multiple reporting obligations in accordance with different agreements if, based on the definitions of the relevant agreements, it may be qualified both as a reportable account and as a U.S. account. Similarly, an account opened in the name of more than one party, some of whom meet the requirements to be identified as U.S. account and others meet the requirements to be identified as reportable account, shall be an account subject to reporting obligations both under FATCA and under the agreements relative to the Global Standard.

Art. 28

(Due diligence requirements for the purposes of automatic exchange)

1. Due diligence for the purposes of automatic exchange shall consist in the set of operational procedures that Reporting Financial Institutions shall adopt in order to:
 - a) determine whether a financial account qualifies as reportable account under the relevant agreement and according to the characteristics referred to in Article 27, paragraph 1;

- b) obtain data and documents necessary for the fulfilment of reporting requirements.
2. Without prejudice to the following paragraphs, due diligence procedures in relation to the relevant agreements shall be contained in Annex B with reference to the Global Standard and in Annex C with reference to IGA SM. Due diligence requirements shall run:
- a) with reference to the Global Standard, from 1 January 2016;
- b) with reference to IGA SM, from 1 July 2014.
3. Upon opening of a new financial account by a party not residing in the territory of the Republic of San Marino or by a U.S. citizen wherever resident, Reporting Financial Institutions shall be required to obtain:
- a) the Tax Identification Number (TIN) issued by the State of residence, provided that such number is envisaged in said State, and a certificate of tax residence, including as self-certification, as well as, for U.S. citizens wherever resident, the U.S. TIN and a self-certification that the party is or is not a U.S. tax resident;
- b) in case of individuals, surname and first name, place and date of birth and address, as well as the documents certifying citizenship for U.S. citizens;
- c) for parties other than individuals, business name or trade name and registered office;
- d) with reference only to financial accounts falling within the definition of U.S. accounts, a statement authorising the disclosure of data under the FFI Agreement and IGA SM.
4. Upon opening of a new financial account by Passive Non-Financial Entities wherever resident, Reporting Financial Institutions shall obtain, in addition to the information provided for in letters a) and c) of paragraph 3, the information referred to in letters a) and b) of the same paragraph 3 relating to individuals who exercise control over said entities.
5. The requirements to obtain information under paragraphs 3 and 4 for the opening of financial accounts by parties residing in the United States of America or by U.S. citizens wherever resident, as well as by non-U.S. Passive Non-Financial Entities wherever resident, controlled by one or more individuals residing in the United States of America or by U.S. citizens, shall run from 1 July 2014.
6. The requirements to obtain information under paragraphs 3 and 4 for the opening of financial accounts by parties residing in States other than the Republic of San Marino and the United States of America, as well as by Passive Non-Financial Entities, other than those referred to in paragraph 4, wherever resident, shall run from 1 January 2016.
7. In relation to financial accounts identified as “U.S. accounts” and maintained as of 30 June 2014, Reporting Financial Institutions shall:
- a) obtain from these parties the U.S. TIN and their consent to disclose information to the U.S. competent authority under the FFI Agreement and IGA SM;
- b) provide customers with the communication referred to in Article 33, paragraph 2.
8. For the purposes of FATCA, financial institutions shall keep track of the annual aggregate amount of payments made to each nonparticipating financial institution for the purposes of disclosing reportable payments as established by IGA SM, by the provisions of Section IV of Annex C to this Law and in line with the requirements of the FFI Agreement.
- With reference to the Global Standard, in compliance with the “Wider Approach” principle, due diligence requirements set out in this Law, in relation both to new and preexisting accounts, shall apply to all financial accounts, provided they do not fall within the definition of excluded accounts, regardless of whether the jurisdiction of residence of the person in whose name the account is opened falls within the definition of Participating Jurisdiction.

Art. 29
(Reporting requirements)

1. Each Reporting Financial Institution shall, in respect of the first reporting year and every following calendar year, prepare a declaration setting out the information required to be reported under the relevant agreement in relation to each reportable financial account that is maintained with the institution during the calendar year in question.

2. The first reporting year shall be:

- a) the calendar year 2016, in relation to an account identified as a reportable account for the purposes of the Global Standard;
- b) the calendar year 2014, in relation to an account identified as a reportable account for the purposes of IGA SM and of the FFI Agreement.

3. The reporting shall be made:

- a) with reference to the Global Standard: to CLO by 31 March of each year following that to which the information refers, according to the modalities provided for in Article 30;
- b) with reference to IGA SM: to the U.S. competent authority within the time-limits and in the manner envisaged by IGA SM and the FFI Agreement.

4. Reportable information shall be:

- a) with reference to the Global Standard: the information referred to in Section I, letter A of Annex B;
- b) with reference to FATCA: the information specified in the FFI Agreement.

5. With reference to the provision referred to in paragraph 2, letter a), if the information is destined to jurisdictions that apply automatic exchange in respect of post-2016 years, the first reporting year shall be indicated in the Decision referred to in Article 27.

6. In relation to the Global Standard, if Reporting Financial Institutions have not maintained any reportable account during the reference period, they shall in any case be required to file a nil return, according to the same terms referred to in paragraph 3.

7. In relation to the Global Standard, Reporting Financial Institutions may report information concerning total gross proceeds from the sale or redemption of securities that are credited to a reportable account by 31 March of the second year following that to which such information refers. Reporting requirements applying to the remaining information shall in any case be met within the ordinary time-limits.

8. The time-limit referred to in paragraph 3, letter a) shall be extended to 30 June 2017 with reference only to reporting requirements concerning 2016 information relative to reportable accounts falling within the definition of Preexisting Accounts.

9. With reference to FATCA, regardless of whether a financial account falls within the definition of reportable account, the reporting requirement referred to in this Article shall not apply to Reporting Financial Institutions if the conditions referred to in Annex II of IGA SM are met, namely:

- a) Financial Institutions have a small or limited scope and are considered as compliant FFIs;
- b) Financial Institutions are investment entities considered as compliant FFIs.

Art. 30

(Global Standard: manner of reporting to the competent authority and exchange of information)

1. Reporting Financial Institutions shall transmit information concerning reportable accounts by the deadline referred to in Article 29 paragraph 3, letter a) through communication technologies for data transmission based on security protocols and standards as defined in Title V and in the measures contained therein. After receiving the data subject to exchange through the use of dedicated applications, CLO shall:

- a) check consistency and regularity of flows;
 - b) require Reporting Financial Institutions to correct wrong flows or to complete missing data;
 - c) process the data received and transmit them to foreign competent authorities in compliance with the procedures established under the Global Standard.
2. Data transmission to foreign competent authorities shall take place by 30 September of each year following that to which the information refers. Such data shall be kept by CLO until 31 December of the fifth year following that in which data were exchanged.

Art. 31

(Global Standard: Receiving information from foreign competent authorities)

1. Information on financial accounts relating to reportable tax residents in San Marino transmitted by foreign competent authorities in compliance with the relevant agreements on automatic exchange of information shall be obtained by CLO and kept in the manner and in accordance with security standards defined in Title V and in the measures contained therein.

Art. 32

(Third party service providers)

1. For the purposes of fulfilling due diligence and reporting requirements referred to in Chapter III, financial institutions may use third party service providers under the provisions contained in the following letters, without prejudice to the financial institution's liability for the proper fulfilment of said requirements even if any improper fulfilment thereof is attributable to said third party service providers:

- a) in the context of monitoring activities performed by the competent authorities on the proper fulfilment of requirements under the agreements referred to in Article 24, financial institutions shall be required to provide copies of the documents and information obtained from third party service providers;
- b) financial institutions shall not trust the validity of the status of the account holder as determined by the third party service provider if they know or have reason to know that such status is unreliable or incorrect.

2. Financial institutions may make the documents and information obtained on financial account holders, necessary for the fulfilment of due diligence, acquisition and data reporting requirements under Chapter III, available to the service providers mentioned in paragraph 1, or to other financial institutions belonging to the same group.

3. Third party service providers referred to in paragraph 1 keeping documents and information necessary for the fulfilment of the requirements under Chapter III by financial institutions may make the documents and information necessary to fulfil said requirements available to the latter.

4. The measures referred to in Article 52 shall establish the terms and conditions for implementing the provisions of this Article.

Art. 33

(Additional requirements to be met by financial institutions in compliance with IGA SM)

1. Reporting Financial Institutions shall be required to register on the website of the IRS for FATCA registration purposes by 1 July 2014 and to comply with the requirements of the FFI Agreement, including with respect to due diligence, reporting and withholding agent. This

provision shall also apply to new Reporting Financial Institutions starting their activities after the entry into force of this Law. Such parties shall comply with the requirements referred to in this paragraph within six months from the date they start their activities.

2. In the context of the due diligence procedure referred to in Article 28 relative to preexisting accounts, Reporting Financial Institutions shall inform in writing U.S. account holders that, in case of refusal to provide the U.S. TIN and the consent to reporting:

- a) aggregated information relating to the account will be reported to the IRS;
- b) information on the account could give rise to a group request from the IRS for specific information on the account;
- c) in the case referred to in this paragraph, information on the account will be transmitted to CLO, which may subsequently provide it to the IRS, in accordance with Article 20.

3. Reporting Financial Institutions shall be required to report to the IRS, on an annual basis and in the form and manner prescribed in the FFI Agreement, aggregated information relative to non-consenting U.S. accounts.

4. With respect to accounts or obligations entered into with nonparticipating financial institutions existing as of 30 June 2014, and in connection with which Reporting San Marino Financial Institutions expect to pay a foreign reportable amount, i.e. a payment of fixed or determinable annual or periodical income that would be a withholdable payment if it were from sources within the United States, the latter institutions shall be required:

- a) with respect to calendar years 2015 and 2016, to require each nonparticipating financial institution the consent to report and at the same time to inform in writing the institution that, in the absence of a consent:
 - 1) aggregated information on reportable foreign amounts paid to the nonparticipating financial institution will be reported to the IRS;
 - 2) such information could give rise to a group request from the IRS for specific information on the accounts or requirements;
 - 3) in the case referred to in point 2), information on the accounts and requirements shall be transmitted to the CLO, which may subsequently provide it to the IRS, in accordance with Article 20;
- b) with respect to calendar years 2015 and 2016, to report to the IRS the number of non-consenting nonparticipating financial institutions to which foreign reportable amounts were paid during the year and the aggregate value of all such payments no later than 15 March of the year following that to which the information relates;

5. With reference to the opening of new financial accounts starting from 1 July 2014 identified as U.S. accounts, Reporting Financial Institutions shall be required to refrain from establishing the relationship in cases where the customer does not consent to the reporting of data referred to in Article 28, paragraph 3, letter d).

6. With respect to new accounts opened or obligations entered into with a nonparticipating financial institution on or after 1 July 2014, and in connection with which the reporting San Marino financial institution expects to pay a reportable foreign amount, Reporting Financial Institutions shall be required to obtain from each nonparticipating financial institution the consent to report, in compliance with the requirements of an FFI Agreement, as a condition to open the account or to enter into an obligation.

7. Reporting Financial Institutions shall be authorised to apply to U.S. accounts the withholding taxes provided for in Article 3 of IGA SM in the cases of suspension of rules relating to non-consenting U.S. accounts regulated therein.

8. With reference to nonparticipating financial institutions that are foreign branches or foreign related entities of Reporting San Marino Financial Institutions, the conditions laid down in paragraph 5 of Article 3 of IGA SM shall apply to grant to the Reporting San Marino Financial Institution the status of "Participant FFI".

Art. 34

(Requirement to keep information and documents obtained during the due diligence procedure)

1. Financial institutions shall keep documents and evidence used in order to fulfil due diligence requirements and requirements to obtain data on financial accounts for the purposes of automatic exchange of information referred to in Title III, Chapter III until 31 December of the fifth year following that in which the due diligence requirement is fulfilled. In case of non-reporting, this deadline shall be extended until the subsequent tenth year.

CHAPTER IV FINAL PROVISIONS RELATING TO TITLE III

Art. 35

(Agreements in accordance with the Global Standard)

1. Automatic exchange of financial information, in accordance with the agreements referred to in Article 2, paragraph 1, letter e), in line with the OECD standard, shall take place in compliance with the provisions of this Law referring to the Global Standard, insofar as compatible, provided they are not contrary to the provisions of said agreements. Measures implementing such agreements may be included in a delegated decree.

Art. 36

(Use of data for the purpose of tax examinations)

1. The information obtained following the implementation of the forms of cooperation provided for in this Law shall be used exclusively for tax assessment and examinations by the competent offices and in criminal proceedings involving tax offences.
2. The manner in which tax assessment offices shall access the above information shall be established by specific agreements between CLO and the aforementioned offices, within which data confidentiality protection mechanisms are identified in conformity with those laid down in this Law.

TITLE IV OTHER FORMS OF ASSISTANCE

Art. 37

(Simultaneous tax examinations)

1. The simultaneous tax examination under Article 8 of the Multilateral Convention (MAC) and its commentary, is an arrangement between two or more parties to examine simultaneously and independently, each in its own territory, the tax affairs of a taxpayer or taxpayers in which they have a common or related interest, with a view to exchanging any relevant information which they so obtain.
2. The competent authority for simultaneous tax examinations shall be the office or authority entrusted with the assessment of the tax or duty subject to simultaneous examination.
3. Simultaneous tax examinations shall be initiated by San Marino competent authorities in accordance with the guidelines referred to in the OECD commentary to MAC. The arrangements referred to in paragraph 1 may take the form of bilateral or multilateral memoranda of understanding.

working arrangements or other similar instruments, in order to facilitate the efficient conduct of the examinations. Such arrangements shall be signed by the San Marino authorities referred to in paragraph 2 and their foreign counterparts.

4. The authorities referred to in paragraph 2 may exchange with foreign competent counterparts the information obtained in the context of the simultaneous tax examination, in accordance with the procedures defined in the framework of the arrangements referred to in paragraphs 1 and 3 above. Without prejudice to the agreements and MAC, such exchange of information shall take place in accordance with the provisions of this Law.

5. For the purposes of exchange, the authorities referred to in paragraph 2 may rely on CLO's collaboration.

Art. 38

(Tax examinations as provided for in Article 9 of the MAC)

1. The Minister of Finance and Budget may authorise, at the request of foreign authorities, the representatives of the same authorities to be present at the appropriate part of a given tax examination in the Republic of San Marino.

2. The authorisation measure shall lay down the rules and conditions of the participation of foreign competent authorities in the tax examination in San Marino. The authorisation, if granted, shall always refer to a single request.

3. The authorisation referred to in paragraph 1 shall in any case be subject to the following conditions:

- a) the authorisation shall not be granted in conflict with the decisions and guidelines adopted by the Government of the Republic of San Marino and notified to the countries signing the MAC, concerning the acceptance of requests for assistance in tax examinations in San Marino;
- b) the request shall necessarily follow a request for exchange of information (EOIR) under relevant agreements, for which the admissibility conditions set out in Title III, Chapter I are fulfilled;
- c) the foreign authority shall have valid reasons of expediency to solve a tax case of primary importance;
- d) the request by the foreign authority shall be duly motivated and include the reasons for which the physical presence of a representative of the foreign competent authority is important.

4. The authorities of the Republic of San Marino, which are responsible for the assessment and examination of the taxes covered by the MAC, may submit to the foreign competent authorities a request for tax examination abroad, in accordance with Article 9 of that Convention, subject to the authorisation of the Minister of Finance and Budget.

Art. 39

(Assistance in recovery of tax claims)

1. If requested by one or more of the States Parties to the Multilateral Convention, San Marino tax administration shall take the necessary steps to recover tax claims of the requesting State, as if they were its own tax claims.

2. San Marino tax administration shall provide the assistance referred to in paragraph 1:

- a) in compliance with the conditions, limits and procedures laid down in Articles 11 to 16 of the Multilateral Convention;
- b) within the limits of the reserves expressly made while ratifying the Multilateral Convention.

3. The assistance measures referred to in paragraph 1 shall be defined through the provisions referred to in Article 52, which shall harmonise the provisions of the MAC with domestic rules on tax collection.

TITLE V

MESURES FOR DATA PROTECTION

Art. 40 *(Purposes)*

1. The provisions of this Title shall apply to all personal data processing activities by San Marino competent offices or authorities, in the context of international tax cooperation in the field of automatic exchange of information. They shall also apply to financial institutions insofar as compatible.
2. The activities described above shall be carried out in accordance with the principles referred to in Law no. 70/1995 and, more specifically, with the rights, fundamental freedoms and dignity of individuals, with particular reference to confidentiality and personal identity, as well as by ensuring the rights of legal persons and of any other entity involved in the processing.
3. The provisions on data confidentiality may be extended to other forms of exchange, insofar as compatible, in accordance with international standards, on the basis of appropriate guidelines adopted by CLO.

Art. 41 *(Collection and processing)*

1. Data and information subject to exchange shall:
 - a) be processed in accordance with the purposes referred to in this Law;
 - b) be made usable in other processing operations provided that these operations are not incompatible with such purposes;
 - c) be collected in a relevant, accurate, complete manner, which is not excessive in relation to the purposes referred to in this Law;
 - d) be destroyed at the end of the maximum retention period envisaged in the relevant agreements.
2. Paper-based data and information subject to exchange shall be collected and retained in adequate areas and in an appropriate manner as to ensure secrecy of the documents, in compliance with the requirements referred to in paragraph 1.
3. Information subject to exchange shall comply with international standards on data protection. Moreover, all technical and organisational measures shall be adopted to protect data and information against accidental or unauthorised destruction, loss or disclosure, unauthorised alteration or access, or against any other unauthorised form of processing.
4. In any case, information subject to exchange shall be disclosed only to authorised persons and to competent authorities under this Law. Only authorised persons and competent authorities may use such information and only for the purposes mentioned above.
5. Information subject to exchange may be used for other purposes when the foreign competent issuing authority authorises such other use. In no event shall information be used for the purposes of a tax included in a category that has been the subject of a reservation. Information subject to exchange may be transmitted to third parties only with the prior approval of the foreign competent issuing authority.
6. With reference to financial institutions the provisions of this Article shall apply only to the collection, processing and transmission of data relevant to the

exchange of information; therefore, the existing rules on collection and retention of customer identification data, as well as of data relating to the customer's business relationships, shall continue to apply.

Art. 42
(Regulation)

1. A Congress of State Regulation, to be adopted after the mandatory opinion of the Guarantor for the protection of the confidentiality of personal data referred to in Chapter V of Law no. 70/1995 (hereinafter referred to as the Guarantor), shall govern the following:
 - a) data controllers;
 - b) the modalities and criteria for the identification of data processors and persons in charge of the processing;
 - c) responsibilities, obligations and prohibitions imposed on the persons referred to in letters a) and b) above;
 - d) competences of the system administrator;
 - e) systems and procedures to ensure data security and integrity, as well as to allow limited access to data, also with regard to paper-based data;
 - f) technical procedures for data processing and exchange;
 - g) communication requirements relating to data collection and processing;
 - h) procedure for the granting and management of accesses and recognition of the digital identity;
 - i) procedure for destruction of data after expiry of the retention period.

Art. 43
(Obligations for data controllers, data processors and persons in charge of the processing)

1. Financial institutions acting as data controllers shall:
 - a) maintain, at their main office, a register of the names of the data processors and persons in charge of the processing authorised for access;
 - b) check issued authorisations, on a regular basis or at least once a year;
 - c) transmit to CLO, by 31 December 2016, a list of the names of said data processors and persons in charge of the processing.
2. Changes in the communication referred to in paragraph 1, letter c) shall be transmitted to CLO prior to the transmission of data and, in any case, not later than 30 days after the occurrence of the change. Confidentiality obligations shall continue to apply to data controllers also in case of withdrawal of access for termination of the employment or consultancy relationship with the financial institution.
3. CLO shall maintain, at its main office, a register of the names of its own data processors and persons in charge of the processing authorised for access, and shall update it without delay in case of any changes, verifying, on a periodic basis or at least yearly, the authorisations issued. Data controllers, data processors and persons in charge of the processing shall ensure that individual workstations and accesses comply with security policies and that access credentials are authorised and properly monitored.
4. Data processors and persons in charge of the processing shall be properly trained and be made aware of the potential risks associated with data processing, as well as of rules and procedures to guarantee security.
5. Data processors and persons in charge of the processing shall use acquired information only for the purposes provided for by law, in accordance with the principles of relevance, non-excessiveness and indispensability. They shall also ensure that no data are disclosed, communicated, transferred to third parties, or reproduced in any way in cases other than those envisaged by the procedures, establishing the conditions to exclude any risk of unauthorised duplication of data, also through the use of automated search tools.

**TITLE VI
SANCTIO
NS**

**CHAPTER
I
SANCTIO
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Art. 44

(Obstacles to CLO's activities)

1. The administrative pecuniary sanction from a minimum of € 1,000.00 to a maximum of € 50,000.00 shall apply to anyone who, having a legal obligation thereto under this Law:
 - a) does not meet, in whole or in part, CLO's requests for data and information transmission for the purposes of the exchange of information under Title III;
 - b) fails to comply with the provisions issued by CLO under this Law.
2. The sanction provided for in paragraph 1 shall also apply to anyone preventing or opposing verification and control activities carried out by CLO or by other authorities or bodies delegated by CLO.

Art. 45

(Violation of due diligence and reporting requirements)

1. The administrative pecuniary sanction from a minimum of € 15,000.00 to a maximum of € 50,000.00 shall apply to Reporting Financial Institutions not fulfilling due diligence and/or reporting requirements under Title III, Chapter III.
2. The administrative pecuniary sanction from a minimum of € 5,000.00 to a maximum of € 30,000.00 shall apply to Reporting Financial Institutions which, in fulfilling due diligence and/or reporting requirements under this Law, provide inaccurate or incorrect information.
3. The sanctions referred to in this Article shall be applied to each individual violation established. The voluntary settlement provided for in Article 33 of Law no. 68 of 28 June 1989 shall not be allowed.

Art. 46

(Non-compliance with time-limits for the reporting of information under the Global Standard)

1. The administrative pecuniary sanction of € 10,000.00 shall apply to Reporting Financial Institutions that do not transmit the information referred to in Article 29 within the time-limits specified therein.
2. This sanction shall be reduced by:
 - a) 50% for delays equal to or less than 15 days;
 - b) 30% for delays exceeding 15 days but less than 30 days.
3. In case information is not reported within 30 June, the sanction referred to in Article 45, paragraph 1 shall apply.
4. The sanctions referred to in this Article shall be applied to each individual violation established.
5. The voluntary settlement provided for in Article 33 of Law no. 68/1989 shall not be allowed.

Art. 47

(Violations concerning data processing)

1. Failure to comply with the requirements to keep and report the names of data processors and persons in charge of the processing of financial institutions, as referred to in Article 43, shall be subject to the application of the administrative pecuniary sanction of € 2,000.00 for each

individual violation.

2. In addition to the application of criminal rules, non-compliance with the requirements set out in title V, violation of confidentiality obligations, disclosure to unauthorised third parties, unauthorised duplication, dissemination and destruction, even accidentally, of data by civil servants shall also be subject to the application of disciplinary sanctions under the existing disciplinary rules and the code of conduct for public officials.

3. The violation of confidentiality requirements by persons or authorities of the requesting State shall entail the suspension of the forms of assistance regulated by Title III vis-à-vis said State through a measure adopted by the Congress of State upon proposal of the Minister of Finance and Budget.

Art. 48

(Repeated violation)

1. In the event of repeated administrative violations referred to in the preceding articles, the administrative sanction shall be increased up to two times, both for the minimum and for the maximum amount, depending on the seriousness of the violation.

2. For the purposes of this Law, anyone who, during the three years prior to the last violation, has committed the same administrative violation shall be considered a repeat offender.

3. The voluntary settlement provided for in Article 33 of Law no. 68/1989 shall not be allowed.

Art. 49

(Increase of sanctions for fraudulent behaviour)

1. The sanctions referred to in the preceding articles shall be increased up to two times, both for the minimum and for the maximum amount, if, in addition to unlawful conduct, fraudulent means are used.

2. The voluntary settlement provided for in Article 33 of Law no. 68/1989 shall not be allowed.

Art. 50

(Exclusion of liability)

1. The sanctions provided for in the preceding articles shall not apply if failure to comply with one or more due diligence and reporting requirements is due to force majeure. In any case, for the purposes of this Article, the following shall not constitute force majeure:

- a) the lack or insufficient availability of resources to fulfil the requirements;
- b) the conclusion that another person should or could have fulfilled the due diligence and reporting requirements provided for in this Law.

2. If any force majeure event exists for the purposes of this Article, but this event subsequently ceases to exist, the sanctions provided for in the preceding articles shall not apply if the person meets the due diligence and reporting requirements within 15 days from the date on which the force majeure ceases to exist.

Art. 51

(Establishment of violations)

1. CLO shall be responsible for the assessment and establishment of the violations referred to in the preceding articles, as well as for the application of the relevant sanctions.

2. The assessment of violations shall be time-barred after five years following the date on which the violation was committed.

3. The administrative pecuniary sanction shall be settled through payment to CLO of the amount due within the time-limits specified in the payment order.

4. The possibility of settling the sanction through voluntary settlement shall be exercised by paying an amount equal to half the sanction applied, within twenty days following notification of the measure.
5. An appeal against the sanction may be lodged before the Administrative Judge in the manner and according to the time-limits referred to in Title II of Law no. 68/1989, without prejudice to the possibility for the Judge of derogating from Article 18, paragraph 4 of the same Law in the context of appeals against sanctions imposed.
6. If the sanctioned person has failed to pay, CLO shall start the compulsory collection procedure under Law no. 70 of 25 May 2004.
7. The claim shall be registered no earlier than six months following the notification of the sanction for twice the relevant amount.
8. The pecuniary administrative sanctions defined in this Law shall be included in the list annually submitted by the Administrative Judge of Appeal under Article 32 of Law no. 68/1989.

TITLE V FINAL PROVISIONS

Art. 52

(Coordination and transitional provisions)

1. Through a delegated decree, it shall be possible:
 - a) to amend or update the annexes to this Law;
 - b) to define the sanctions relating to the application of FATCA legislation;
 - c) to establish technical rules for the detection, transmission and disclosure of information related to reportable accounts;
 - d) to introduce provisions for the enforcement and coordination of this Law necessary to its implementation and to the settlement of conflicts with other provisions; such procedure shall cease to be effective on 31 December 2017;
 - e) to introduce implementing provisions following the entry into force of the Protocol amending the Agreement between the European Community and the Republic of San Marino providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments.
2. In the light of the urgent tasks that CLO is required to fulfil for the application of the tax cooperation instruments provided for in Title III, and in particular for the implementation of the automatic exchange of financial information, by enforcing Congress of State decision no. 15 of 23 March 2015 on dynamic staff requirement and special recruitment and training procedures, as well as by implementing the recommendations of the Global Forum on Transparency and Exchange of Information for Tax Purposes – OECD in its Phase 2 Peer Review Report adopted in November 2013, the Congress of State shall be mandated to start the procedures for the recruitment, on an open-ended contract, of 2 experts by issuing a specific competition announcement (titles/titles and interview) under Articles 32 and 33 of Delegated Decree no. 106 of 2 August 2012.
3. With the entry into force of this Law, the two officials, one of whom performing the function of Director, appointed under Law no. 95/2008 and subsequent amendments, shall remain in office, with the corresponding titles referred to in Article 7, until the expiry of the mandate, which, as a result of their respective appointment decisions under the preceding legislation, shall be on 1 April 2018. In any case, they shall be subject, together with the other employees of CLO, to the provisions of this Law, including those relating to duties, requirements and incompatibilities.

Art. 53
(Repeal)

1. Any provision contrary to this Law shall be repealed.

Art. 54
(Entry into force)

1. This Law shall enter into force on the fifteenth day following that of its legal publication.

Done at Our Residence, on 27 November 2015/1715 since the Foundation of the Republic

THE CAPTAINS REGENT
Lorella Stefanelli - Nicola Renzi

THE MINISTER OF
INTERNAL AFFAIRS
Gian Carlo Venturini

Annex A to Law no. 174 of 27 November 2015

TERM	GLOBAL STANDARD	FATCA Model 2 IGA	EU
<i>Account Holder</i>	It means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of the Common Reporting Standard, and such other person is treated as holding the account. In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.	It means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of this Agreement, and such other person is treated as holding the account. For purposes of the immediately preceding sentence, the term "Financial Institution" does not include a Financial Institution organized or incorporated in a U.S. Territory. In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.	It means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account. A person, other than a Financial Institution, holding a Financial Account for the benefit or account of another person as agent, custodian, nominee, signatory, investment advisor, or intermediary, is not treated as holding the account for purposes of this Annex, and such other person is treated as holding the account. In the case of a Cash Value Insurance Contract or an Annuity Contract, the Account Holder is any person entitled to access the Cash Value or change the beneficiary of the contract. If no person can access the Cash Value or change the beneficiary, the Account Holder is any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract. Upon the maturity of a Cash Value Insurance Contract or an Annuity Contract, each person entitled to receive a payment under the contract is treated as an Account Holder.
<i>Active NFE</i>	It means a NFE that meets any of the following criteria: a) less than 50% of the NFE's gross income for the preceding calendar year or other appropriate reporting period is passive income and	It means any NFFE that meets any of the following criteria: a) Less than 50 percent of the NFFE's gross income for the preceding calendar year	It means any NFE that meets any of the following criteria: (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

Annex A to Law no. 174 of 27 November 2015

	<p>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</p>	<p>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; b) The stock of the NFFE is regularly traded on an established securities market or the NFFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market. For purposes of this Agreement, interests are “regularly traded” if there is a meaningful volume of trading with respect to the interests on an ongoing basis, and an “established securities market” means an exchange that is officially recognized and supervised by a governmental authority in which the market is located and that has a meaningful annual value of shares traded on the exchange; c) The NFFE is organized in a U.S. Territory and all of the owners of the payee are bona fide residents of that U.S. Territory; d) 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</p>	<p>% 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</p>
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	<p>with the intent to continue or recommence operations in a business other than that of a Financial Institution;</p> <p>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</p> <p>h) the NFE meets all of the following requirements: i) 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 organization operated exclusively for the promotion of social welfare; ii) it is exempt from income tax in its jurisdiction of residence; iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets; iv) 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 noncharitable 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</p>	<p>one or more of the foregoing;</p> <p>e) 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; f) 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;</p> <p>g) 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;</p> <p>h) 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</p>	<p>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 jurisdiction of residence (being a Member State, San Marino or other jurisdiction) exclusively for religious, charitable, scientific, artistic, cultural, athletic, or educational purposes; or it is established and operated in its jurisdiction of residence (being a Member State, San Marino or other jurisdiction) 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 jurisdiction of residence (being a Member State, San Marino or other jurisdiction); (iii) it has no shareholders or members who have a proprietary or beneficial interest in its income or assets; (iv) the applicable laws of the NFE's jurisdiction of residence (being a Member State, San Marino or other jurisdiction) 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 jurisdiction of residence (being a Member State, San Marino or other jurisdiction) or the NFE's formation documents require that, upon the NFE's liquidation or dissolution, all of its assets be</p>
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	<p>value of property which the NFE has purchased; and v) 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 thereof.</p>	<p>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;</p> <p>i) The NFFE is an "excepted NFFE" as described in relevant U.S. Treasury Regulations; or</p> <p>j) The NFFE meets all of the following requirements:</p> <p>i. 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;</p> <p>ii. It is exempt from income tax in its jurisdiction of residence;</p> <p>iii. It has no shareholders or members who have a proprietary or beneficial interest in its income or assets;</p> <p>iv. 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</p>	<p>distributed to a Governmental Entity or other non-profit organisation, or escheat to the government of the NFE's jurisdiction of residence (being a Member State, San Marino or other jurisdiction) or any political subdivision thereof.</p>
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		v. 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.	
AML/KYC Procedures	It means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject.	It means the customer due diligence procedures of a Reporting San Marino Financial Institution pursuant to the anti-money laundering or similar requirements of San Marino to which such Reporting San Marino Financial Institution is subject.	It means the customer due diligence procedures of a Reporting Financial Institution pursuant to the anti-money laundering or similar requirements to which such Reporting Financial Institution is subject.
Annuity Contract	It means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the law, regulation, or practice of the jurisdiction in which the contract was issued, and under which the issuer agrees to make payments for a term of years.	It has the meaning set forth in relevant U.S. Treasury Regulations.	It means a contract under which the issuer agrees to make payments for a period of time determined in whole or in part by reference to the life expectancy of one or more individuals. The term also includes a contract that is considered to be an Annuity Contract in accordance with the law, regulation, or practice of the jurisdiction (being a Member State, San Marino or other jurisdiction) in which the contract was issued, and under which the issuer agrees to make payments for a term of years.
Broad Participation Retirement Fund	It means a fund established to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund: does not have a single beneficiary with a right to more than five per cent of the fund's assets; is subject to government regulation	It means a fund established in San Marino to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund: does not have a single beneficiary with a	It means a fund established to provide retirement, disability, or death benefits, or any combination thereof, to beneficiaries who are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that the fund: does not have a single beneficiary with a right to more than 5 % of the fund's assets; is subject to government regulation and provides information reporting to the tax

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	<p>and provides information reporting to the tax authorities; and satisfies at least one of the following requirements: the fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate, due to its status as a retirement or pension plan; the fund receives at least 50% of its total contributions (other than transfers of assets or from retirement and pension accounts) from the sponsoring employers; distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other retirement funds or retirement and pension accounts), or penalties apply to distributions or withdrawals made before such specified events; or contributions (other than certain permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed USD 50,000 annually, applying the rules for account aggregation and currency translation.</p>	<p>right to more than five percent of the fund's assets; is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in San Marino; and satisfies at least one of the following requirements: the fund is generally exempt from tax in San Marino on investment income under the laws of San Marino due to its status as a retirement or pension plan; the fund receives at least 50 percent of its total contributions (other than transfers of assets from other plans or from retirement and pension accounts) from the sponsoring employers; distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other retirement funds described in paragraphs A through C of this section or retirement and pension accounts described in subparagraph A(1) of section V of this Annex II), or penalties apply to distributions or withdrawals made before such specified events; or contributions (other than certain permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed UDL 50,000 annually, applying the rules set forth in Annex I for account aggregation and currency translation.</p>	<p>authorities; and satisfies at least one of the following requirements: the fund is generally exempt from tax on investment income, or taxation of such income is deferred or taxed at a reduced rate, due to its status as a retirement or pension plan; the fund receives at least 50 % of its total contributions (other than transfers of assets from other plans or from retirement and pension accounts) from the sponsoring employers; distributions or withdrawals from the fund are allowed only upon the occurrence of specified events related to retirement, disability, or death (except rollover distributions to other retirement funds or retirement and pension accounts), or penalties apply to distributions or withdrawals made before such specified events; or contributions (other than certain permitted make-up contributions) by employees to the fund are limited by reference to earned income of the employee or may not exceed annually, an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 50,000, applying the rules set forth in Section VII for account aggregation and currency translation.</p>
<p>Cash Value Insurance Contract</p>	<p>It means an Insurance Contract (other than an indemnity reinsurance contract between two</p>	<p>It has the meaning set forth in relevant U.S. Treasury Regulations.</p>	<p>It means a Insurance Contract (other than an indemnity reinsurance contract between</p>

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	insurance companies) that has a Cash Value.		two insurance companies) that has a Cash Value.
Cash Value	It means the greater of the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term "Cash Value" does not include an amount payable under an Insurance Contract: a) solely by reason of the death of an individual insured under a life insurance contract; b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against; c) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract; d) as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in b) above; or e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual	It has the meaning set forth in relevant U.S. Treasury Regulations.	It means the greater of the amount that the policyholder is entitled to receive upon surrender or termination of the contract (determined without reduction for any surrender charge or policy loan), and the amount the policyholder can borrow under or with regard to the contract. Notwithstanding the foregoing, the term "Cash Value" does not include an amount payable under an Insurance Contract: (a) solely by reason of the death of an individual insured under a life insurance contract; (b) as a personal injury or sickness benefit or other benefit providing indemnification of an economic loss incurred upon the occurrence of the event insured against; (c) as a refund of a previously paid premium (less cost of insurance charges whether or not actually imposed) under an Insurance Contract (other than an investment-linked life insurance or annuity contract) due to cancellation or termination of the contract, decrease in risk exposure during the effective period of the contract, or arising from the correction of a posting or similar error with regard to the premium for the contract; (d) as a policyholder dividend (other than a termination dividend) provided that the dividend relates to an Insurance Contract under which the only benefits payable are described in b) above); or (e) as a return of an advance premium or premium deposit for an Insurance Contract for which the premium is payable at least annually if the amount of the advance premium or premium deposit does not exceed the next annual premium that will be payable under the contract.

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	premium that will be payable under the contract.		
Central Bank	It means an institution that is by law or government sanction the principal authority, other than the government of the jurisdiction itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of the jurisdiction, whether or not owned in whole or in part by the jurisdiction.	It means an institution that is by law or government sanction the principal authority, other than the government of San Marino itself, issuing instruments intended to circulate as currency. Such an institution may include an instrumentality that is separate from the government of San Marino, whether or not owned in whole or in part by San Marino.	It means an institution that is by law or government sanction the principal authority, other than the government of the Member State, San Marino or the other jurisdiction 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, San Marino or the other jurisdiction, whether or not owned in whole or in part by the Member State, San Marino or the other jurisdiction.
Competent Authority		It means: 1) in the case of the United States, the Secretary of the Treasury or his delegate; and 2) in the case of San Marino, the Minister of Finance and Budget or his delegate;	It means the authorities listed in Annex IV, under (a) and under (b) to (ac) respectively. Annex IV shall form an integral part of this Agreement. The list of Competent Authorities in Annex IV may be amended by simple notification of the other Contracting Party by San Marino for the authority referred to in (a) therein and by the European Union for the authorities referred to in (b) to (ac) therein.
Controlling Persons	It means 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. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.	It means any 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.	It means any natural persons who exercise control over an Entity. In the case of a trust, that 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. The term "Controlling Persons" must be interpreted in a manner consistent with the Financial Action Task Force Recommendations.
Custodial Institution	It means an 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	It means an 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	It means an 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

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	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: 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.	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 percent of the entity's gross income during the shorter of: (i) the three-year period that ends on December 31 (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.	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.
<i>Custodial Account</i>	It means an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets for the benefit of another person.		It means an account (other than an Insurance Contract or Annuity Contract) which holds one or more Financial Assets for the benefit of another person.
<i>Depository Account</i>	It means any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Financial Institution in the ordinary course of a banking or similar business. A Depository Account also includes an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon.		It includes any commercial, checking, savings, time, or thrift account, or an account that is evidenced by a certificate of deposit, thrift certificate, investment certificate, certificate of indebtedness, or other similar instrument maintained by a Financial Institution in the ordinary course of a banking or similar business. A Depository Account also includes an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon.
<i>Depository Institution</i>	It means an Entity that accepts deposits in the ordinary course of a banking or similar business.	It means an Entity that accepts deposits in the ordinary course of a banking or similar business.	It means an Entity that accepts deposits in the ordinary course of a banking or similar business.
<i>Documentary Evidence</i>	It includes any of the following: a) a certificate of residence issued by an authorised government body (for example, a government or agency thereof, or a municipality) of the jurisdiction in which the payee claims to be a resident; b) with respect to an individual, any valid identification issued by an authorised government	Acceptable documentary evidence includes any of the following: 1. A certificate of residence issued by an authorized government body (for example, a government or agency thereof, or a municipality) of the jurisdiction in which the payee claims to be a resident;	It means any of the following: (a) a certificate of residence issued by an authorised government body (for example, a government or agency thereof, or a municipality) of the jurisdiction (being a Member State, San Marino or other jurisdiction) in which the payee claims to be a resident; (b) with respect to an individual, any valid identification issued by an authorised government body

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	<p>body (for example, a government or agency thereof, or a municipality), that includes the individual's name and is typically used for identification purposes; c) with respect to an Entity, any official documentation issued by an authorised government body (for example, a government or agency thereof, or a municipality) that includes the name of the Entity and either the address of its principal office in the jurisdiction in which it claims to be a resident or the jurisdiction in which the Entity was incorporated or organized;</p> <p>d) any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report.</p>	<p>2. with respect to an individual, any valid identification issued by an authorized government body (for example, a government or agency thereof, or a municipality), that includes the individual's name and is typically used for identification purposes;</p> <p>3. with respect to an Entity, any official documentation issued by an authorized government body (for example, a government or agency thereof, or a municipality) that includes the name of the Entity and either the address of its principal office in the jurisdiction (or U.S. Territory) in which it claims to be a resident or the jurisdiction (or U.S. Territory) in which the Entity was incorporated or organized;</p> <p>4. with respect to a Financial Account maintained in a jurisdiction with anti-money laundering rules that have been approved by the IRS in connection with a QI agreement (as described in relevant U.S. Treasury Regulations), any of the documents, other than a Form W-8 or W-9, referenced in the jurisdiction's attachment to the QI agreement for identifying individuals or Entities;</p> <p>5 any financial statement, third-party credit report, bankruptcy filing, or U.S. Securities and Exchange Commission report.</p>	<p>(for example, a government or agency thereof, or a municipality), that includes the individual's name and is typically used for identification purposes; (c) with respect to an Entity, any official documentation issued by an authorised government body (for example, a government or agency thereof, or a municipality) that includes the name of the Entity and either the address of its principal office in the jurisdiction (being a Member State, San Marino or other jurisdiction) in which it claims to be a resident or the jurisdiction (being a Member State, San Marino or other jurisdiction) in which the Entity was incorporated or organised; (d) any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report. With respect to a Preexisting Entity Account, each Member State or San Marino shall have the option to allow Reporting Financial Institutions to use as Documentary Evidence any classification in the Reporting Financial Institution's records with respect to the Account Holder that was determined based on a standardised industry coding system, that was recorded by the Reporting Financial Institution consistent with its normal business practices for purposes of AML/KYC Procedures or another regulatory purposes (other than for tax purposes) and that was implemented by the Reporting Financial Institution prior to the date used to classify the Financial Account as a Preexisting Account, provided that the Reporting Financial Institution does not know or does not have reason to know that such classification is incorrect or unreliable. The term "standardised industry coding system" means a coding system used to classify establishments by business type for purposes other than tax purposes. Before the entry into force of the Amending Protocol, Member</p>
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			States shall communicate to San Marino and San Marino shall communicate to the European Commission whether they have exercised the option provided for in this subparagraph. The European Commission may coordinate the transmission of the communication from Member States to San Marino and the European Commission shall transmit the communication from San Marino to all Member States. All further changes to the exercise of that option by a Member State or San Marino shall be communicated in the same manner.
Entity	It means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.	It means a legal person or a legal arrangement such as a trust.	It means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.
Equity Interest	It means: in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person will be treated as being a beneficiary of a trust if such Reportable Person has the right to receive directly or indirectly (for example, through a nominee) a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.	It has the meaning set forth in relevant U.S. Treasury Regulations.	It means: in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership. In the case of a trust that is a Financial Institution, an Equity Interest is considered to be held by any person treated as a settlor or beneficiary of all or a portion of the trust, or any other natural person exercising ultimate effective control over the trust. A Reportable Person will be treated as being a beneficiary of a trust if such Reportable Person has the right to receive directly or indirectly (for example, through a nominee) a mandatory distribution or may receive, directly or indirectly, a discretionary distribution from the trust.
European Union			It means the Union as established by the Treaty on European Union and includes the territories in which the Treaty on the Functioning of the European Union is applied under the conditions laid down in that latter Treaty.
Excluded Account	It means any of the following accounts: a) a retirement or pension account that satisfies the following requirements:	The following accounts are excluded from the definition of Financial Accounts and therefore shall not be treated as U.S. Accounts:	It means any of the following accounts: (a) a retirement or pension account that satisfies the following requirements: (i) the account is subject to regulation as a personal

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	<p>i) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits);</p> <p>ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);</p> <p>iii) information reporting is required to the tax authorities with respect to the account;</p> <p>iv) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and</p> <p>v) either (i) annual contributions are limited to USD 50,000 or less, or (ii) there is a maximum lifetime contribution limit to the account of USD 1,000,000 or less, in each case applying the rules set forth in paragraph C of Section VII for account aggregation and currency translation.</p> <p>A Financial Account that otherwise satisfies the requirements of point v) of subparagraph a) above will not fail to satisfy such requirements solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts or from one or more retirement or pension funds;</p> <p>b) an account that satisfies the following requirements:</p> <p>i) the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities</p>	<p>A. Certain Savings Accounts: 1. A retirement or pension account maintained in San Marino that satisfies the following requirements under the laws of San Marino: a) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits); b) the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax under the laws of San Marino are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate); c) annual information reporting is required to the tax authorities in San Marino with respect to the account; d) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and e) either (i) annual contributions are limited to USD 50,000 or less, or (ii) there is a maximum lifetime contribution limit to the account of USD 1,000,000 or less, in each case applying the rules set forth in Annex I for account aggregation and currency translation;</p> <p>2. Non-Retirement Savings Accounts. (other than an insurance or Annuity Contract) that satisfies the following requirements under the laws of San Marino:</p>	<p>retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits); (ii) the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate); (iii) information reporting is required to the tax authorities with respect to the account; (iv) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and (v) either annual contributions are limited to an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 50,000 or less, or there is a maximum lifetime contribution limit to the account of an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 1,000,000 or less, in each case applying the rules for account aggregation and currency translation. A Financial Account that otherwise satisfies the requirement of letter a), point v) above will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts or from one or more retirement or pension funds; (b) an account that satisfies the following requirements: (i) the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement; (ii) the account is tax-favoured (i.e., contributions</p>
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	<p>market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement; ii) the account is tax-favoured (i.e. contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate); iii) withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and iv) annual contributions are limited to USD 50,000 or less, applying the rules for account aggregation and currency translation. A Financial Account that otherwise satisfies the requirement of point iv) above will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts considered as excluded under letters a) and b), or from one or more retirement or pension funds that meet the requirements referred to in Section VIII, letter B(5) through (7); c) a life insurance contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements: i) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter; ii) the contract has no contract value that any person can</p>	<p>a) the account is subject to regulation as a savings vehicle for purposes other than for retirement; b) the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax under the laws of San Marino are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate); c) withdrawals are conditioned on meeting specific criteria related to the purpose of the savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and d) annual contributions are limited to USD 50,000 or less, applying the rules set forth in Annex I for account aggregation and currency translation;</p> <p>B. Certain Term Life Insurance Contracts., i.e. a life insurance contract maintained in San Marino with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements:</p> <p>1. Periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter;</p> <p>2. The contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract;</p>	<p>to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the Account Holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate); (iii) withdrawals are conditioned on meeting specific criteria related to the purpose of the investment or savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and (iv) annual contributions are limited to an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 50,000 or less, applying the rules set forth in for account aggregation and currency translation. A Financial Account that otherwise satisfies the requirement of point iv) above will not fail to satisfy such requirement solely because such Financial Account may receive assets or funds transferred from one or more Financial Accounts that meet the requirements in letters a) or b), or from one or more retirement or pension funds that meet the requirements of Section VIII, letter B(5) to (7); (c) a life insurance contract with a coverage period that will end before the insured individual attains age 90, provided that the contract satisfies the following requirements: (i) periodic premiums, which do not decrease over time, are payable at least annually during the period the contract is in existence or until the insured attains age 90, whichever is shorter; (ii) the contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract; (iii) the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of</p>
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	<p>access (by withdrawal, loan, or otherwise) without terminating the contract; iii) the amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and iv) the contract is not held by a transferee for value; d) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate; e) an account established in connection with any of the following: i) a court order or judgment; ii) a sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements: - the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property; - the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease; - the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee</p>	<p>3. The amount (other than a death benefit) payable upon cancellation or termination of the contract cannot exceed the aggregate premiums paid for the contract, less the sum of mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and</p> <p>4. The contract is not held by a transferee for value;</p> <p>C. Account Held By an Estate: an account maintained in San Marino that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate;</p> <p>D. Escrow Accounts: an account maintained in San Marino established in connection with any of the following:</p> <p>1. A court order or judgment;</p> <p>2. A sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements:</p> <p>a) The account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a financial asset that is deposited in the account in connection with the sale, exchange, or lease of the property; b) The account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or</p>	<p>mortality, morbidity, and expense charges (whether or not actually imposed) for the period or periods of the contract's existence and any amounts paid prior to the cancellation or termination of the contract; and (iv) the contract is not held by a transferee for value; (d) an account that is held solely by an estate if the documentation for such account includes a copy of the deceased's will or death certificate; (e) an account established in connection with any of the following: (i) a court order or judgment; (ii) a sale, exchange, or lease of real or personal property, provided that the account satisfies the following requirements: — the account is funded solely with a down payment, earnest money, deposit in an amount appropriate to secure an obligation directly related to the transaction, or a similar payment, or is funded with a Financial Asset that is deposited in the account in connection with the sale, exchange, or lease of the property; — the account is established and used solely to secure the obligation of the purchaser to pay the purchase price for the property, the seller to pay any contingent liability, or the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease; — the assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates; — the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and — the account is not associated with an account described letter f) hereunder; (iii) an obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of</p>
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	<p>(including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates; - the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; - the account is not associated with a Depository Account described in subparagraph f) hereunder;</p> <p>iii) an obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time. iv) an obligation of a Financial Institution solely to facilitate the payment of taxes at a later time; f) a Depository Account that satisfies the following requirements:</p> <p>i) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and ii) beginning on or before 1/1/2016, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of USD 50,000, or to ensure that any customer overpayment in excess of USD 50,000 is refunded to the customer within 60 days, in each case applying the rules set forth in paragraph C of Section VII for currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns;</p> <p>g) any other account that presents a low risk of being used to evade tax, has</p>	<p>the lessor or lessee to pay for any damages relating to the leased property as agreed under the lease;</p> <p>c) The assets of the account, including the income earned thereon, will be paid or otherwise distributed for the benefit of the purchaser, seller, lessor, or lessee (including to satisfy such person's obligation) when the property is sold, exchanged, or surrendered, or the lease terminates;</p> <p>d) The account is not a margin or similar account established in connection with a sale or exchange of a financial asset; and e) The account is not associated with a credit card account;</p> <p>3. An obligation of a Financial Institution servicing a loan secured by real property to set aside a portion of a payment solely to facilitate the payment of taxes or insurance related to the real property at a later time;</p> <p>4. An obligation of a Financial Institution solely to facilitate the payment of taxes at a later time;</p> <p>E. Partner Jurisdiction Accounts: an account maintained in San Marino and excluded from the definition of Financial Account under an agreement between the United States and another Partner Jurisdiction to facilitate the implementation of FATCA, provided that such account is subject to the same requirements and oversight under the laws of such other Partner Jurisdiction as if such account were established in that Partner Jurisdiction and maintained by a Partner Jurisdiction Financial</p>	<p>taxes or insurance related to the real property at a later time; (iv) an obligation of a Financial Institution solely to facilitate the payment of taxes at a later time; (f) a Depository Account that satisfies the following requirements: (i) the account exists solely because a customer makes a payment in excess of a balance due with respect to a credit card or other revolving credit facility and the overpayment is not immediately returned to the customer; and (ii) beginning on or before 1 January 2016, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 50,000, or to ensure that any customer overpayment in excess of that amount is refunded to the customer within 60 days, in each case applying the rules set forth in paragraph C of Section VII for currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns; (g) any other account that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the accounts described in letters a) to f) above, and is defined in domestic law as an Excluded Account and, for Member States, is provided for in paragraph 7bis of Article 8 of Council Directive 2011/16/EU on administrative cooperation in the field of taxation and communicated to San Marino and for San Marino, is communicated to the European Commission, provided that the status of such account as an Excluded Account does not frustrate the purposes of this Agreement.</p>
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	substantially similar characteristics to any of the accounts described in the preceding subparagraphs, and is defined in domestic law as an Excluded Account, provided that the status of such account as an Excluded Account does not frustrate the purposes of the Common Reporting Standard.	Institution in that Partner Jurisdiction.	
<i>Exempt Collective Investment Vehicle</i>	It means an Investment Entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through individuals or Entities that are not Reportable Persons, except a Passive NFE with Controlling Persons who are Reportable Persons. An Investment Entity that is regulated as a collective investment vehicle does not fail to qualify as an Exempt Collective Investment Vehicle, solely because the collective investment vehicle has issued physical shares in bearer form, provided that: the collective investment vehicle has not issued, and does not issue, any physical shares in bearer form after 31 December 2015; the collective investment vehicle retires all such shares upon surrender; the collective investment vehicle performs the due diligence procedures set forth in Sections II through VII and reports any information required to be reported with respect to any such shares when such shares are presented for redemption or other payment; and the collective investment vehicle has in place policies and procedures to ensure that such shares are redeemed or immobilised as soon as possible.		It means an Investment Entity that is regulated as a collective investment vehicle, provided that all of the interests in the collective investment vehicle are held by or through individuals or Entities that are not Reportable Persons, except a Passive NFE with Controlling Persons who are Reportable Persons. An Investment Entity that is regulated as a collective investment vehicle does not fail to qualify as an Exempt Collective Investment Vehicle, solely because the collective investment vehicle has issued physical shares in bearer form, provided that: the collective investment vehicle has not issued, and does not issue, any physical shares in bearer form after 31 December 2015; the collective investment vehicle retires all such shares upon surrender; the collective investment vehicle performs the due diligence procedures set forth in Sections II to VII and reports any information required to be reported with respect to any such shares when such shares are presented for redemption or other payment; and the collective investment vehicle has in place policies and procedures to ensure that such shares are redeemed or immobilised as soon as possible and in any event prior to 1 January 2018.
<i>Financial Institution</i>	It means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.	It means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company	It means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

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<p><i>Financial Account</i></p>	<p>It means an account maintained by a Financial Institution, and includes a Depository Account, a Custodial Account and: in the case of an Investment Entity, any equity or debt interest in the Financial Institution.</p> <p>Notwithstanding the foregoing, the term “Financial Account” does not include any equity or debt interest in an Entity that is an Investment Entity solely because it renders investment advice to, and acts on behalf of, or manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering Financial Assets deposited in the name of the customer with a Financial Institution other than such Entity; in the case of a Financial Institution not described in letter C, point 1, letter a), any equity or debt interest in the Financial Institution, if the class of interests was established with a purpose of avoiding reporting in accordance with Section I; and any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a Financial Institution, other than a noninvestment-linked, non-transferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an Excluded Account. The term “Financial Account” does not include any account that is an Excluded Account.</p>	<p>It has the meaning set forth in relevant U.S. Treasury Regulations, but does not include any account that is excluded from the definition of Financial Account in Annex II.</p>	<p>It means an account maintained by a Financial Institution; it includes a Depository Account, a Custodial Account and: in the case of an Investment Entity, any equity or debt interest in the Financial Institution. Notwithstanding the foregoing, the term “Financial Account” does not include any equity or debt interest in an Entity that is an Investment Entity solely because it renders investment advice to, and acts on behalf of, or manages portfolios for, and acts on behalf of, a customer for the purpose of investing, managing, or administering Financial Assets deposited in the name of the customer with a Financial Institution other than such Entity; in the case of a Financial Institution not described in subparagraph C(1)(a), any equity or debt interest in the Financial Institution, if the class of interests was established with a purpose of avoiding reporting in accordance with Section I; and any Cash Value Insurance Contract and any Annuity Contract issued or maintained by a Financial Institution, other than a non-investment-linked, non-transferable immediate life annuity that is issued to an individual and monetises a pension or disability benefit provided under an account that is an Excluded Account. The term “Financial Account” does not include any account that is an Excluded Account.</p>
<p><i>Financial Asset</i></p>	<p>It includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of</p>		<p>It includes a security (for example, a share of stock in a corporation; partnership or beneficial ownership interest in a widely held or publicly traded partnership or trust; note, bond, debenture, or other evidence of indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps,</p>

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	<p>indebtedness), partnership interest, commodity, swap (for example, interest rate swaps, currency swaps, basis swaps, interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term "Financial Asset" does not include a non-debt, direct interest in real property.</p>		<p>interest rate caps, interest rate floors, commodity swaps, equity swaps, equity index swaps, and similar agreements), Insurance Contract or Annuity Contract, or any interest (including a futures or forward contract or option) in a security, partnership interest, commodity, swap, Insurance Contract, or Annuity Contract. The term "Financial Asset" does not include a non-debt, direct interest in real property.</p>
<p>Foreign Reportable Amount</p>		<p>It means, in accordance with relevant U.S. Treasury Regulations, a payment of fixed or determinable annual or periodical income that would be a withholdable payment if it were from sources within the United States.</p>	
<p>Governmental Entity</p>	<p>It means the government of a jurisdiction, any political subdivision of a jurisdiction (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of a 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 jurisdiction. An "integral part" of a jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction. The net earnings of the governing authority must be credited to its own account or to other accounts of the</p>	<p>It means the government of San Marino, any political subdivision of San Marino (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of San Marino or any one or more of the foregoing (each, a "San Marino Governmental Entity"). This category is comprised of the integral parts, controlled entities, and political subdivisions of San Marino. An integral part of San Marino means any person, organization, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of San Marino. The net earnings of the governing authority must</p>	<p>It means the government of a Member State, San Marino or other jurisdiction, any political subdivision of a Member State, San Marino 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, San Marino 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, San Marino or other jurisdiction. An "integral part" of a Member State, San Marino or other jurisdiction means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a Member State, San Marino or</p>

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	<p>jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity. A controlled entity means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:</p> <p><i>i)</i> the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities; <i>ii)</i> the Entity's net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and <i>iii)</i> the Entity's assets vest in one or more Governmental Entities upon dissolution.</p> <p>Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.</p>	<p>be credited to its own account or to other accounts of San Marino, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity. A controlled entity means an Entity that is separate in form from San Marino or that otherwise constitutes a separate juridical entity, provided that:</p> <p>the Entity is wholly owned and controlled by one or more San Marino Governmental Entities directly or through one or more controlled entities; the Entity's net earnings are credited to its own account or to the accounts of one or more San Marino Governmental Entities, with no portion of its income inuring to the benefit of any private person; and the Entity's assets vest in one or more San Marino Governmental Entities upon dissolution.</p> <p>Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental program, and the program activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a governmental entity to conduct a commercial business, such as a commercial banking business, that</p>	<p>other jurisdiction. The net earnings of the governing authority must be credited to its own account or to other accounts of the Member State, San Marino or other jurisdiction, with no portion inuring to the benefit of any private person. An integral part does not include any individual who is a sovereign, official, or administrator acting in a private or personal capacity. A controlled entity means an Entity which is separate in form from the Member State, San Marino or other jurisdiction or which otherwise constitutes a separate juridical entity, provided that: the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities; the Entity's net earnings are credited to its own account or to the accounts of one or more Governmental Entities, with no portion of its income inuring to the benefit of any private person; and the Entity's assets vest in one or more Governmental Entities upon dissolution. Income does not inure to the benefit of private persons if such persons are the intended beneficiaries of a governmental programme, and the programme activities are performed for the general public with respect to the common welfare or relate to the administration of some phase of government. Notwithstanding the foregoing, however, income is considered to inure to the benefit of private persons if the income is derived from the use of a Governmental Entity to conduct a commercial business, such as a commercial banking business, that provides financial services to private persons.</p>
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		provides financial services to private persons.	
High Value Account	It means a Preexisting Individual Account with an aggregate balance or value that exceeds USD 1,000,000 as of 31 December 2015 or 31 December of any subsequent year.	It means a Preexisting Individual Accounts with a balance or value that exceeds USD 1,000,000 as of June 30, 2014, or December 31 of 2015 or any subsequent year.	It means a Preexisting Individual Account with an aggregate balance or value that exceeds, as of 31 December 2015 or 31 December of any subsequent year, an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 1,000,000.
Insurance Contract	It means a contract (other than an Annuity Contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.	It has the meaning set forth in relevant U.S. Treasury Regulations.	It means a contract (other than an Annuity Contract) under which the issuer agrees to pay an amount upon the occurrence of a specified contingency involving mortality, morbidity, accident, liability, or property risk.
International Organisation	It means an international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organization (including a supranational organisation) that is comprised primarily of governments; that has in effect a headquarters or substantially similar agreement with the jurisdiction; and the income of which does not inure to the benefit of private persons.	It means any international organization or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organization (including a supranational organization) that is comprised primarily of non-U.S. governments; that has in effect a headquarters agreement with San Marino; and the income of which does not inure to the benefit of private persons.	It means 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, San Marino or the other jurisdiction; and (iii) the income of which does not inure to the benefit of private persons.
Investment Entity	It means any Entity: a) that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer: 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; individual and collective portfolio management; or 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,	It means any Entity that conducts as a business (or is managed by an entity that conducts as a business) one or more of the following activities or operations for or on behalf of a customer: 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; individual and collective portfolio management; or otherwise investing, administering, or	It means 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: 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; individual and collective portfolio management; or 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

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	<p>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 a). An Entity is treated as primarily conducting as a business one or more of the activities, or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity's gross income attributable to the relevant activities equals or exceeds 50% of the Entity's gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. The term "Investment Entity" does not include an Entity that is an Active NFE. This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of "financial institution" in the Financial Action Task Force Recommendations.</p>	<p>managing funds or money on behalf of other persons.</p>	<p>Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in a). An Entity is treated as primarily conducting as a business one or more of the activities, or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity's gross income attributable to the relevant activities equals or exceeds 50 % of the Entity's gross income during the shorter of: (i) the three-year period ending on 31 December of the year preceding the year in which the determination is made; or (ii) the period during which the Entity has been in existence. The term "Investment Entity" does not include an Entity that is an Active NFE. This paragraph shall be interpreted in a manner consistent with similar language set forth in the definition of "financial institution" in the Financial Action Task Force Recommendations.</p>
<p>Lower Value Account</p>	<p>It means a Preexisting Individual Account with an aggregate balance or value as of 31 December 2015 that does not exceed USD 1,000,000.</p>	<p>It means a Preexisting Individual Accounts with an aggregate balance or value as of June 30, 2014, that exceeds USD 50,000 (USD 250,000 for a Cash Value Insurance Contract or Annuity Contract), but does not exceed UDS 1,000,000.</p>	<p>It means a Preexisting Individual Account with an aggregate balance or value, as of 31 December 2015, that does not exceed an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 1,000,000.</p>
<p>Member State Financial Institution</p>			<p>It means i) any Financial Institution that is resident in a Member State, excluding any branch of that Financial Institution that is located outside that Member State, and (ii) any branch of a Financial Institution that is not resident in that Member State, if that branch is located in that Member State.</p>
<p>Member State Person</p>			<p>It means an individual or Entity that is identified by a San Marino</p>

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			Reporting Financial Institution as resident in a Member State pursuant to due diligence procedures consistent with Annex I and II, or an estate of a decedent that was a resident of a Member State
Member State			It means a Member State of the European Union.
Narrow Participation Retirement Fund	It means a fund established to provide retirement, disability, or death benefits to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that: the fund has fewer than 50 participants; the fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs; the employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts) are limited by reference to earned income and compensation of the employee, respectively; participants that are not residents of the jurisdiction in which the fund is established are not entitled to more than 20% of the fund's assets; and the fund is subject to government regulation and provides information reporting to the tax authorities.	It means a fund established in San Marino to provide retirement, disability, or death benefits to beneficiaries that are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that: The fund has fewer than 50 participants; The fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs; The employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts) are limited by reference to earned income and compensation of the employee, respectively; Participants that are not residents of San Marino are not entitled to more than 20 percent of the fund's assets; and The fund is subject to government regulation and provides annual information reporting about its beneficiaries to the relevant tax authorities in San Marino.	It means a fund established to provide retirement, disability, or death benefits to beneficiaries who are current or former employees (or persons designated by such employees) of one or more employers in consideration for services rendered, provided that: the fund has fewer than 50 participants; the fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs; the employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts) are limited by reference to earned income and compensation of the employee, respectively; participants that are not residents of the jurisdiction (being a Member State or San Marino) in which the fund is established are not entitled to more than 20 % of the fund's assets; and the fund is subject to government regulation and provides information reporting to the tax authorities.
New Account	It means a Financial Account maintained by a Reporting Financial Institution opened on or after 01/01/2016.	It means a Financial Account opened by a Reporting San Marino Financial Institution on or after July 1, 2014.	It means a Financial Account maintained by a Reporting Financial Institution opened on or after 1 January 2016, unless it is treated as a Preexisting Account under the extended definition of Preexisting Account.
New Entity Account	It means a New Account held by one or more Entities.	It means any Financial Accounts held by Entities and opened on or after July 1, 2014	It means a New Account held by one or more Entities.

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<i>New Individual Account</i>	It means a New Account held by one or more individuals.	It means a New Account held by one or more individuals.	It means a New Account held by one or more individuals.
<i>NFE</i>	It means an Entity that is not a Financial Institution.	It means any Non-U.S. Entity that is not an FFI as defined in relevant U.S. Treasury Regulations or is an Entity described in subparagraph B(4)(j) of Section VI, and also includes any Non-U.S. Entity that is established in San Marino or another Partner Jurisdiction and that is not a Financial Institution.	It means an Entity that is not a Financial Institution
<i>Non participating Financial Institution</i>		It means a nonparticipating FFI, as that term is defined in relevant U.S. Treasury Regulations, but does not include a San Marino Financial Institution or other Partner Jurisdiction Financial Institution other than a Financial Institution treated as a Nonparticipating Financial Institution pursuant to paragraph 2 of Article 4 of this Agreement or the corresponding provision in an agreement between the United States and a Partner Jurisdiction.	
<i>Non-Consenting U.S. Account</i>		It means a Financial Account maintained by a Reporting San Marino Financial Institution as of June 30, 2014 with respect to which (i) a Reporting San Marino Financial Institution has determined that it is a U.S. Account in accordance with the due diligence procedures in Annex I; (ii) the laws of San Marino prohibit the reporting required under an FFI Agreement absent consent of the Account Holder; (iii) the Reporting San Marino Financial Institution has sought, but was unable to obtain, the required consent to report or the Account Holder's U.S. TIN; and (iv) the Reporting San Marino Financial Institution has	

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		reported, or was required to report, aggregate account information to the IRS as prescribed under sections 1471 to 1474 of the U.S. Internal Revenue Code and relevant U.S. Treasury Regulations.	
<i>Non-Reporting Financial Institution</i>	It means a Financial Institution that is: a) a Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution; b) a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, International Organisation or Central Bank; or a Qualified Credit Card Issuer; c) any other Entity that presents a low risk of being used to evade tax, and is defined in domestic law as a Non-Reporting Financial Institution, provided that the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of the Common Reporting Standard; d) an Exempt Collective Investment Vehicle; or e) a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported with respect to all Reportable Accounts of the trust.	It means any San Marino Financial Institution, or other Entity resident in San Marino that is described in Annex II as a Non-Reporting San Marino Financial Institution or that otherwise qualifies as a deemed-compliant FFI or an exempt beneficial owner under relevant U.S. Treasury Regulations in effect on the date of signature of this Agreement.	It means any Financial Institution which is: (a) a Governmental Entity, International Organisation or Central Bank, other than with respect to a payment that is derived from an obligation held in connection with a commercial financial activity of a type engaged in by a Specified Insurance Company, Custodial Institution, or Depository Institution; (b) a Broad Participation Retirement Fund; a Narrow Participation Retirement Fund; a Pension Fund of a Governmental Entity, International Organisation or Central Bank; or a Qualified Credit Card Issuer; (c) any other Entity that presents a low risk of being used to evade tax, has substantially similar characteristics to any of the Entities described in a) and b), and is defined in domestic law as a Non- Reporting Financial Institution, and, for Member States, is provided for in paragraph 7bis of Article 8 of Council Directive 2011/16/EU on administrative cooperation in the field of taxation and communicated to San Marino and for San Marino, is communicated to the European Commission, provided that the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of this Agreement; (d) an Exempt Collective Investment Vehicle; or (e) a trust to the extent that the trustee of the trust is a Reporting Financial Institution and reports all information required to be reported pursuant to Section I with respect to all Reportable Accounts of the trust.
<i>Participating Jurisdiction/ Partner Jurisdiction</i>	It means a jurisdiction with which an agreement is in place pursuant to which it will provide the information	It means a jurisdiction that has in effect an agreement with the United States to facilitate	The term "Participating Jurisdiction" with regard to a Member State or San Marino means: (a) any Member State

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	and which is identified in a published list.	the implementation of FATCA. The IRS shall publish a list identifying all Partner Jurisdictions.	with regard to reporting to San Marino; or (b) San Marino with regard to reporting to a Member State; or (c) any other jurisdiction with which the relevant Member State or San Marino, as the context requires, has an agreement in place pursuant to which that other jurisdiction will provide the information and which is identified in a list published by that Member State or San Marino and notified to San Marino, respectively to the European Commission; (d) with regard to Member States, any other jurisdiction with which the European Union has an agreement in place pursuant to which that other jurisdiction will provide the information, and which is identified in a list published by the European Commission.
<i>Participating Jurisdiction Financial Institution/ Partner Jurisdiction Financial Institution</i>	It means a Financial Institution that is resident in a Participating Jurisdiction, but excludes any branch of that Financial Institution that is located outside such Participating Jurisdiction, and any branch of a Financial Institution that is not resident in a Participating Jurisdiction, if that branch is located in such Participating Jurisdiction.	It means a Financial Institution established in a Partner Jurisdiction, but excluding any branch of such Financial Institution that is located outside the Partner Jurisdiction, and any branch of a Financial Institution not established in the Partner Jurisdiction, if such branch is located in the Partner Jurisdiction	It means a Financial Institution that is resident in a Participating Jurisdiction, but excludes any branch of that Financial Institution that is located outside such Participating Jurisdiction, and any branch of a Financial Institution that is not resident in a Participating Jurisdiction, if that branch is located in such Participating Jurisdiction.
<i>Passive NFE</i>	It means any: (i) NFE that is not an Active NFE; or (ii) an Investment Entity described in subparagraph A(6)(b) that is not a Participating Jurisdiction Financial Institution.	It 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.	It means any: (i) NFE that is not an Active NFE; or (ii) an Investment Entity described in subparagraph A(6)(b) that is not a Participating Jurisdiction Financial Institution.
<i>Pension Fund of a Governmental Entity, International Organisation or Central Bank</i>	It means a fund established by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of	It means a fund established in San Marino by an exempt beneficial owner to provide retirement, disability, or death benefits to beneficiaries or participants that are current or former employees of the exempt beneficial owner (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such	It means a fund established by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants who are current or former employees (or persons designated by such employees), or who are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services performed for the Governmental Entity,

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	personal services performed for the Governmental Entity, International Organisation or Central Bank.	beneficiaries or participants are in consideration of personal services performed for the exempt beneficial owner.	International Organisation or Central Bank.
<i>Preexisting Account</i>	It means a Financial Account maintained by a Reporting Financial Institution as of 31/12/2015.	It means a Financial Account maintained by a Reporting San Marino Financial Institution as of June 30, 2014.	It means a financial Account (a) maintained by a Reporting Financial Institution as of 31 December 2015; (b) a Member State or San Marino shall have the option of extending the term "Preexisting Account" to mean also any Financial Account of an Account Holder, regardless of the date such Financial Account was opened, if: (i) the Account Holder also holds with the Reporting Financial Institution, or with a Related Entity within the same jurisdiction (being a Member State or San Marino) as the Reporting Financial Institution, a Financial Account that is a Preexisting Account; (ii) the Reporting Financial Institution, and, as applicable, the Related Entity within the same jurisdiction (being a Member State or San Marino) as the Reporting Financial Institution, treats both of the aforementioned Financial Accounts, and any other Financial Accounts of the Account Holder that are treated as Preexisting Accounts as a single Financial Account for purposes of satisfying the standards of knowledge requirements, and for purposes of determining the balance or value of any of the Financial Accounts when applying any of the account thresholds; (iii) with respect to a Financial Account that is subject to AML/KYC Procedures, the Reporting Financial Institution is permitted to satisfy such AML/KYC Procedures for the Financial Account by relying upon the AML/KYC Procedures performed for the Preexisting Account described in letter a); and the opening of the Financial Account does not require the provision of new, additional or amended customer information by the Account Holder other than for the purposes of this Agreement. Before the entry into force of the Amending Protocol,

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			Member States shall communicate to San Marino and San Marino shall communicate to the European Commission whether they have exercised the option provided for in this paragraph. The European Commission may coordinate the transmission of the communication from Member States to San Marino and the European Commission shall transmit the communication from San Marino to all Member States. All further changes to the exercise of that option by a Member State or San Marino shall be communicated in the same manner.
Preexisting Individual Account	It means a Preexisting Account held by one or more individuals.	Un Conto Preesistente intrattenuto da una o più persone fisiche.	It means a Preexisting Account held by one or more individuals.
Preexisting Entity Account	It means a Preexisting Account held by one or more Entities.	Un Conto Preesistente intrattenuto da una o più Entità.	It means a Preexisting Account held by one or more Entities.
Qualified Credit Card Issuer	It means a Financial Institution satisfying the following requirements: the Financial Institution is a Financial Institution solely because it is an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer; the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of USD 50,000, or to ensure that any customer overpayment in excess of USD 50,000 is refunded to the customer within 60 days, in each case applying the rules set forth for account aggregation and currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.	A San Marino Financial Institution satisfying the following requirements is a Non-Reporting San Marino Financial Institution treated as a registered deemed-compliant FFI for purposes of section 1471 of the U.S. Internal Revenue Code: the Financial Institution is a Financial Institution solely because it is an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer; beginning on or before July 1, 2014, the Financial Institution implements policies and procedures to either prevent a customer deposit in excess of USD 50,000, or to ensure that any customer deposit in excess of USD 50,000, in each case applying the rules set forth in Annex I for account aggregation and currency translation, is refunded to the	It means a Financial Institution satisfying the following requirements: the Financial Institution is a Financial Institution solely because it is an issuer of credit cards that accepts deposits only when a customer makes a payment in excess of a balance due with respect to the card and the overpayment is not immediately returned to the customer; and beginning on or before 1 January 2016, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of an amount denominated in the domestic currency of each Member State or San Marino and corresponding to USD 50,000, or to ensure that any customer overpayment in excess of that amount, is refunded to the customer within 60 days, in each case applying the rules set forth for account aggregation and currency translation. For this purpose, a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

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		customer within 60 days. For this purpose, a customer deposit does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns; and the Financial Institution must satisfy the requirements set forth in paragraph C of section VI of Annex II.	
Related Entity	An Entity is a “Related Entity” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose control includes direct or indirect ownership of more than 50% of the vote and value in an Entity.	An Entity is a “Related Entity” of another Entity if either Entity controls the other Entity, or the two Entities are under common control. For this purpose, control includes direct or indirect ownership of more than 50 percent of the vote or value in an Entity. Notwithstanding the foregoing, San Marino may treat an Entity as not a Related Entity of another Entity if the two Entities are not members of the same expanded affiliated group as defined in section 1471(e)(2) of the U.S. Internal Revenue Code.	An Entity is a “Related Entity” of another Entity if either Entity controls the other Entity; the two Entities are under common control; or 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.
Reportable Jurisdiction Person	It means an individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, limited liability partnership or similar legal arrangement that has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.		It means an individual or Entity that is resident in a Reportable Jurisdiction under the tax laws of such jurisdiction, or an estate of a decedent that was a resident of a Reportable Jurisdiction. For this purpose, an Entity such as a partnership, limited liability partnership or similar legal arrangement, which has no residence for tax purposes shall be treated as resident in the jurisdiction in which its place of effective management is situated.
Reportable Account	It means an account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the due diligence procedures.		It means an account held by one or more Reportable Persons or by a Passive NFE with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the due diligence procedures described in Sections II to VII.
Reportable Jurisdiction	It means a jurisdiction with which an agreement is in		The term “Reportable Jurisdiction” means San Marino

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	place pursuant to which there is an obligation in place to provide the information specified in Section I, and which is identified in a published list.		with regard to a Member State, or a Member State with regard to San Marino in the context of the obligation to provide the information specified in Section I.
Reportable Person	It means a Reportable Jurisdiction Person other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a Related Entity of a corporation described in clause (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a Financial Institution		It means a Reportable Jurisdiction Person other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a Related Entity of a corporation described in clause (i); (iii) a Governmental Entity; (iv) an International Organisation; (v) a Central Bank; or (vi) a Financial Institution.
Reporting Financial Institution	It means a Participating Jurisdiction Financial Institution that is not a Non-Reporting Financial Institution.	It means a Participating Jurisdiction Financial Institution that is not a Non-Reporting Financial Institution.	It means any Member State Financial Institution fulfilling the necessary requirements that is not a Non-Reporting Financial Institution
Specified Insurance Company	It means an Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.	It means an Entity that is an insurance company (or the holding company of an insurance company) that issues, or is obligated to make payments with respect to, a Cash Value Insurance Contract or an Annuity Contract.	It means an 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.
Specified U.S. Person		It means a U.S. Person, other than: (i) a corporation the stock of which is regularly traded on one or more established securities markets; (ii) any corporation that is a member of the same expanded affiliated group, as defined in section 1471(e)(2) of the U.S. Internal Revenue Code, as a corporation; (iii) the United States or any wholly owned agency or instrumentality thereof; (iv) any State of the United States, any U.S. Territory, any political subdivision of any of the foregoing, or any wholly owned agency or instrumentality of any one or more of the foregoing; (v) any organization exempt from taxation	

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		<p>under section 501(a) of the U.S. Internal Revenue Code or an individual retirement plan as defined in section 7701(a)(37) of the U.S. Internal Revenue Code; (vi) any bank as defined in section 581 of the U.S. Internal Revenue Code; (vii) any real estate investment trust as defined in section 856 of the U.S. Internal Revenue Code; (viii) any regulated investment company as defined in section 851 of the U.S. Internal Revenue Code or any entity registered with the U.S. Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. 80a-64); (ix) any common trust fund as defined in section 584(a) of the U.S. Internal Revenue Code; (x) any trust that is exempt from tax under section 664(c) of the U.S. Internal Revenue Code or that is described in section 4947(a)(1) of the U.S. Internal Revenue Code; (xi) a dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any State thereof; (xii) a broker as defined in section 6045(c) of the U.S. Internal Revenue Code; or (xiii) any tax-exempt trust under a plan that is described in section 403(b) or section 457(g) of the U.S. Internal Revenue Code.</p>	
<p><i>Taxpayer Identification Number/Numer o di Identificazione Fiscale</i></p>	<p>It means a Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).</p>	<p>It means a U.S. federal taxpayer identifying number</p>	<p>It means a Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).</p>
<p><i>U.S. Account</i></p>		<p>It means a Financial Account maintained by a</p>	

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		<p>Reporting San Marino Financial Institution and held by one or more Specified U.S. Persons or by a Non-U.S. Entity with one or more Controlling Persons that is a Specified U.S. Person. Notwithstanding the foregoing, an account shall not be treated as a U.S. Account if such account is not identified as a U.S. Account after application of the due diligence procedures in Annex I.</p>	
<p><i>U.S. Person</i></p>		<p>It means a U.S. citizen or resident individual, a partnership or corporation organized in the United States or under the laws of the United States or any State thereof, a trust if (i) a court within the United States would have authority under applicable law to render orders or judgments concerning substantially all issues regarding administration of the trust, and (ii) one or more U.S. persons have the authority to control all substantial decisions of the trust, or an estate of a decedent that is a citizen or resident of the United States. This definition shall be interpreted in accordance with the U.S. Internal Revenue Code.</p>	

(CRS) DUE DILIGENCE REQUIREMENTS FOR IDENTIFYING AND REPORTING REPORTABLE ACCOUNTS

Section I - General Reporting Requirements

A. Subject to paragraphs C through F, each Reporting Financial Institution must report the following information with respect to each Reportable Account of such Reporting Financial Institution:

1. the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth (in the case of an individual) of each Reportable Person that is an Account Holder of the account and, in the case of any Entity that is an Account Holder and that, after application of the due diligence procedures consistent with Sections V, VI and VII, is identified as having one or more Controlling Persons that is a Reportable Person, the name, address, jurisdiction(s) of residence and TIN(s) of the Entity and the name, address, jurisdiction(s) of residence, TIN(s) and date and place of birth of each Reportable Person;

2. the account number (or functional equivalent in the absence of an account number);

3. the name and identifying number of the Reporting Financial Institution;

4. the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or other appropriate reporting period or, if the account was closed during such year or period, the closure of the account;

5. in the case of any Custodial Account:

a) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and

b) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;

6. in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and

7. in the case of any account not described in subparagraph A(5) or (6), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

B. The information reported shall identify the currency in which each amount is denominated.

C. Notwithstanding subparagraph A(1), with respect to each Reportable Account that is a Preexisting Account, the TIN(s) or date of birth is not required to be

reported if such TIN(s) or date of birth is not in the records of the Reporting Financial Institution and is not otherwise required to be collected by such Reporting Financial Institution under San Marino law. However, a Reporting Financial Institution is required to use reasonable efforts to obtain the TIN(s) and date of birth with respect to Preexisting Accounts by the end of the second calendar year following the year in which such Accounts were identified as Reportable Accounts.

D. Notwithstanding subparagraph A(1), the TIN is not required to be reported if (i) a TIN is not issued by the relevant Reportable Jurisdiction or (ii) the domestic law of the relevant Reportable Jurisdiction does not require the collection of the TIN issued by such Reportable Jurisdiction.

E. Notwithstanding subparagraph A(1), the place of birth is not required to be reported unless the Reporting Financial Institution is otherwise required to obtain and report it under San Marino law and it is available in the electronically searchable data maintained by the Reporting Financial Institution.

F. Notwithstanding paragraph A, the information to be reported with respect to 2016 is the information described in such paragraph, except for gross proceeds described in subparagraph A(5)(b).

Section II: General Due Diligence Requirements

A. An account is treated as a Reportable Account beginning as of the date it is identified as such pursuant to the due diligence procedures in Sections II through VII and, unless otherwise provided, information with respect to a Reportable Account must be reported annually in the calendar year following the year to which the information relates.

B. The balance or value of an account is determined as of the last day of the calendar year or other appropriate reporting period.

C. Where a balance or value threshold is to be determined as of the last day of a calendar year, the relevant balance or value must be determined as of the last day of the reporting period that ends with or within that calendar year.

D. Reporting Financial Institutions may be allowed to use service providers under the provisions referred to in Article 32 of this Law.

E. Reporting Financial Institutions may be allowed to apply the due diligence procedures for New Accounts to Preexisting Accounts, and the due diligence procedures for High Value Accounts to Lower Value Accounts. Where a Jurisdiction allows New Account due diligence procedures to be used for Preexisting Accounts, the rules otherwise applicable to Preexisting Accounts continue to apply.

Section III: Due Diligence for Preexisting Individual Accounts

The following procedures apply for purposes of identifying Reportable Accounts among Preexisting Individual Accounts.

A. Accounts not required to be reviewed, identified or reported.

A Preexisting Individual Account that is a Cash Value Insurance Contract or an Annuity Contract is not required to be reviewed, identified or reported, provided the Reporting Financial Institution is effectively prevented by law from selling such Contract to residents of a Reportable Jurisdiction.

B. Lower Value Accounts.

The following procedures apply with respect to Lower Value Accounts.

1. Residence Address. If the Reporting Financial Institution has in its records a current residence address for the individual Account Holder based on Documentary Evidence, the Reporting Financial Institution may treat the individual Account Holder as being a resident for tax purposes of the jurisdiction in which the address is located for purposes of determining whether such individual Account Holder is a Reportable Person. **This procedure may be applied as an alternative to that referred to in subparagraph B(2) hereunder if the residence address has been obtained in the context of customer due diligence procedures under the current AML legislation.**

2. Electronic record search. If the Reporting Financial Institution does not rely on a current residence address for the individual Account Holder based on Documentary Evidence as set forth in subparagraph B(1), the Reporting Financial Institution must review electronically searchable data maintained by the Reporting Financial Institution for any of the following indicia and apply subparagraphs B(3) through (6):

- a) identification of the Account Holder as a resident of a Reportable Jurisdiction;
- b) current mailing or residence address (including a post office box) in a Reportable Jurisdiction;
- c) one or more telephone numbers in a Reportable Jurisdiction and no telephone number in the jurisdiction of the Reporting Financial Institution;
- d) standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Reportable Jurisdiction;
- e) currently effective power of attorney or signatory authority granted to a person with an address in a Reportable Jurisdiction; or
- f) a "hold mail" instruction or "in-care-of" address in a Reportable Jurisdiction if the Reporting Financial Institution does not have any other address on file for the Account Holder.

3. If none of the indicia listed in subparagraph B(2) are discovered in the electronic search, then no further action is required until there is a change in circumstances that results in one or more indicia being associated with the account, or the account becomes a High Value Account.

4. If any of the indicia listed in subparagraph B(2)

(a) through (e) are discovered in the electronic search, or if there is a change in circumstances that results in one or more indicia being associated with the account, then the Reporting Financial Institution must treat the Account Holder as a resident for tax purposes of each Reportable Jurisdiction for which

an indicium is identified, unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.

5. If a “hold mail” instruction or “in-care-of” address is discovered in the electronic search and no other address and none of the other indicia listed in subparagraph B(2) (a) through (e) are identified for the Account Holder, the Reporting Financial Institution must, in the order most appropriate to the circumstances, apply the paper record search described in subparagraph C(2), or seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of such Account Holder. If the paper search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting Financial Institution must report the account as an undocumented account.

6. Notwithstanding a finding of indicia under subparagraph B(2), a Reporting Financial Institution is not required to treat an Account Holder as a resident of a Reportable Jurisdiction if:

- a) the Account Holder information contains a current mailing or residence address in the Reportable Jurisdiction, one or more telephone numbers in the Reportable Jurisdiction (and no telephone number in the jurisdiction of the Reporting Financial Institution) or standing instructions (with respect to Financial Accounts other than Depository Accounts) to transfer funds to an account maintained in a Reportable Jurisdiction, the Reporting Financial Institution obtains, or has previously reviewed and maintains a record of:
 - i) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Reportable Jurisdiction; and
 - ii) Documentary Evidence establishing the Account Holder’s non-reportable status.
- b) the Account Holder information contains a currently effective power of attorney or signatory authority granted to a person with an address in the Reportable Jurisdiction, the Reporting Financial Institution obtains, or has previously reviewed and maintains a record of:
 - i) a self-certification from the Account Holder of the jurisdiction(s) of residence of such Account Holder that does not include such Reportable Jurisdiction; or
 - ii) Documentary Evidence establishing the Account Holder’s non-reportable status.

C. Enhanced Review Procedures for High Value Accounts.

The following enhanced review procedures apply with respect to High Value Accounts.

1. Electronic Record Search. With respect to High Value Accounts, the Reporting Financial Institution must review electronically searchable data maintained by the Reporting Financial Institution for any of the indicia described in subparagraph B(2).

2. Paper Record Search. If the Reporting Financial Institution’s electronically searchable databases include fields for, and capture all of the information described in, subparagraph C(3), then a further paper record search is not required. If the electronic databases do not capture all of this information, then with respect to a High Value Account,

the Reporting Financial Institution must also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the Reporting Financial Institution within the last five years for any of the indicia described in subparagraph B(2):

- a) the most recent Documentary Evidence collected with respect to the account;
- b) the most recent account opening contract or documentation;
- c) the most recent documentation obtained by the Reporting Financial Institution pursuant to AML/KYC Procedures or for other regulatory purposes;
- d) any power of attorney or signature authority forms currently in effect; and
- e) any standing instructions (other than with respect to a Depository Account) to transfer funds currently in effect.

3. Exception To The Extent Databases Contain Sufficient Information. A Reporting Financial Institution is not required to perform the paper record search described in subparagraph C(2) to the extent the Reporting Financial Institution's electronically searchable information includes the following:

- a) the Account Holder's residence status;
- b) the Account Holder's residence address and mailing address currently on file with the Reporting Financial Institution;
- c) the Account Holder's telephone number(s) currently on file, if any, with the Reporting Financial Institution;
- d) in the case of Financial Accounts other than Depository Accounts, whether there are standing instructions to transfer funds in the account to another account (including an account at another branch of the Reporting Financial Institution or another Financial Institution);
- e) whether there is a current "in-care-of" address or "hold mail" instruction for the Account Holder; and
- f) whether there is any power of attorney or signatory authority for the account.

4. Relationship Manager Inquiry for Actual Knowledge. In addition to the electronic and paper record searches described above, the Reporting Financial Institution must treat as a Reportable Account any High Value Account assigned to a relationship manager (including any Financial Accounts aggregated with that High Value Account) if the relationship manager (if any) has actual knowledge that the Account Holder is a Reportable Person.

5. Effect of Finding Indicia.

- a) If none of the indicia listed in subparagraph B(2) are discovered in the enhanced review of High Value Accounts described above, and the account is not identified as held by a Reportable Person in subparagraph C(4), then further action is not required until there is a change in circumstances that results in one or more indicia being associated with the account.
- b) If any of the indicia listed in subparagraph B(2)(a) through (e) are discovered in the enhanced review of High Value Accounts described above, or if there is a subsequent change in circumstances that results in one or more indicia being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each Reportable Jurisdiction for which an indicium is identified unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.

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c) If a “hold mail” instruction or “in-care-of” address is discovered in the enhanced review of High Value Accounts described above, and no other address and none of the other indicia listed in subparagraph B(2)(a) through (e) are identified for the Account Holder, the Reporting Financial Institution must obtain from such Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder. If the Reporting Financial Institution cannot obtain such self-certification or Documentary Evidence, it must report the account as an undocumented account.

6. If a Preexisting Individual Account is not a High Value Account as of 31 December 2015, but becomes a High Value Account as of the last day of a subsequent calendar year, the Reporting Financial Institution must complete the enhanced review procedures described in paragraph C with respect to such account within the calendar year following the year in which the account becomes a High Value Account. If based on this review such account is identified as a Reportable Account, the Reporting Financial Institution must report the required information about such account with respect to the year in which it is identified as a Reportable Account and subsequent years on an annual basis, unless the Account Holder ceases to be a Reportable Person.

7. Once a Reporting Financial Institution applies the enhanced review procedures described in paragraph C to a High Value Account, the Reporting Financial Institution is not required to re-apply such procedures, other than the relationship manager inquiry described in subparagraph C(4), to the same High Value Account in any subsequent year unless the account is undocumented where the Reporting Financial Institution should re-apply them annually until such account ceases to be undocumented.

8. If there is a change in circumstances with respect to a High Value Account that results in one or more indicia described in subparagraph B(2) being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each Reportable Jurisdiction for which an indicium is identified unless it elects to apply subparagraph B(6) and one of the exceptions in such subparagraph applies with respect to that account.

9. A Reporting Financial Institution must implement procedures to ensure that a relationship manager identifies any change in circumstances of an account. For example, if a relationship manager is notified that the Account Holder has a new mailing address in a Reportable Jurisdiction, the Reporting Financial Institution is required to treat the new address as a change in circumstances and, if it elects to apply subparagraph B(6), is required to obtain the appropriate documentation from the Account Holder.

D. Review of Preexisting Individual Accounts must be completed by 30 June 2017.

E. Any Preexisting Individual Account that has been identified as a Reportable Account under this Section must be treated as a Reportable Account in all subsequent years, unless the Account Holder ceases to be a Reportable Person.

Section IV: Due Diligence for New Individual Accounts

The following procedures apply for purposes of identifying Reportable Accounts among New Individual Accounts.

- A.** With respect to New Individual Accounts, upon account opening, the Reporting Financial Institution must obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures.
- B.** If the self-certification establishes that the Account Holder is resident for tax purposes in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account and the self-certification must also include the Account Holder's TIN with respect to such Reportable Jurisdiction (subject to paragraph D of Section I) and date of birth.
- C.** If there is a change in circumstances with respect to a New Individual Account that causes the Reporting Financial Institution to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting Financial Institution cannot rely on the original self-certification and must obtain a valid self-certification that establishes the residence(s) for tax purposes of the Account Holder.

Section V: Due Diligence for Preexisting Entity Accounts

The following procedures apply for purposes of identifying Reportable Accounts among Preexisting Entity Accounts.

- A. Entity Accounts Not Required to Be Reviewed, Identified or Reported.** Unless the Reporting Financial Institution elects otherwise, either with respect to all Preexisting Entity Accounts or, separately, with respect to any clearly identified group of such accounts, a Preexisting Entity Account with an aggregate account balance or value that does not exceed USD 250,000 as of 31 December 2015,

is not required to be reviewed, identified or reported as a Reportable Account until the aggregate account balance or value exceeds USD 250,000 as of the last day of any subsequent calendar year.

- B. Entity Accounts Subject to Review.** A Preexisting Entity Account that has an aggregate account balance or value that exceeds USD 250,000 as of 31 December 2015, and a Preexisting Entity Account that does not exceed USD 250,000 as of 31 December 2015 but the aggregate account balance or value of which exceeds USD 250,000 as of the last day of any subsequent calendar year, must be reviewed in accordance with the procedures set forth in paragraph D.

- C. Entity Accounts With Respect to Which Reporting Is Required.** With respect to Preexisting Entity Accounts described in paragraph B, only accounts that are held by one or more Entities

that are Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons, shall be treated as Reportable Accounts.

D. Review Procedures for Identifying Entity Accounts With Respect to Which Reporting Is Required. For Preexisting Entity Accounts described in paragraph B, a Reporting Financial Institution must apply the following review procedures to determine whether the account is held by one or more Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons:

1. Determine Whether the Entity Is a Reportable Person.

- a) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine whether the information indicates that the Account Holder is resident in a Reportable Jurisdiction. For this purpose, information indicating that the Account Holder is resident in a Reportable Jurisdiction includes a place of incorporation or organisation, or an address in a Reportable Jurisdiction.
- b) If the information indicates that the Account Holder is resident in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it obtains a self-certification from the Account Holder, or reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person.

2. Determine Whether the Entity is a Passive NFE with One or More Controlling Persons Who Are Reportable Persons. With respect to an Account Holder of a Preexisting Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must determine whether the Account Holder is a Passive NFE with one or more Controlling Persons who are Reportable Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account must be treated as a Reportable Account. In making these determinations the Reporting Financial Institution must follow the guidance in subparagraphs D(2)(a) through (c) in the order most appropriate under the circumstances.

- a) **Determining whether the Account Holder is a Passive NFE.** For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must obtain a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity described in subparagraph A(6)(b) of Section VIII that is not a Participating Jurisdiction Financial Institution.
- b) **Determining the Controlling Persons of an Account Holder.** For the purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.

c) Determining whether a Controlling Person of a Passive NFE is a Reportable Person. For the purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on:

- i)* information collected and maintained pursuant to AML/KYC Procedures in the case of a Preexisting Entity Account held by one or more NFEs with an aggregate account balance or value that does not exceed USD 1,000,000; **or**
- ii)* a self-certification from the Account Holder or such Controlling Person of the jurisdiction(s) in which the Controlling Person is resident for tax purposes.

E. Timing of Review and Additional Procedures Applicable to Preexisting Entity Accounts.

1. Review of Preexisting Entity Accounts with an aggregate account balance or value that exceeds USD 250,000 as of 31 December 2015 must be completed by 30 June 2017.

2. Review of Preexisting Entity Accounts with an aggregate account balance or value that does not exceed USD 250,000 as of 31 December 2015, but exceeds USD 250,000 as of 31 December of a subsequent year, must be completed within the calendar year following the year in which the aggregate account balance or value exceeds USD 250,000.

3. If there is a change in circumstances with respect to a Preexisting Entity Account that causes the Reporting Financial Institution to know, or have reason to know, that the self-certification or other documentation associated with an account is incorrect or unreliable, the Reporting Financial Institution must re-determine the status of the account in accordance with the procedures set forth in paragraph D.

Section VI: Due Diligence for New Entity Accounts

The following procedures apply for purposes of identifying Reportable Accounts among New Entity Accounts.

A. Review Procedures for Identifying Entity Accounts With Respect to Which Reporting Is Required. For New Entity Accounts, a Reporting Financial Institution must apply the following review procedures to determine whether the account is held by one or more Reportable Persons, or by Passive NFEs with one or more Controlling Persons who are Reportable Persons:

1. Determine Whether the Entity Is a Reportable Person.

- a)* Obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting Financial Institution to determine the Account Holder's residence(s) for tax purposes and confirm the reasonableness of such self-certification based on the information obtained by the Reporting Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KYC Procedures. If the Entity certifies that it has no residence for tax purposes, the Reporting Financial Institution may rely on the address of the principal office of the Entity to determine the residence of the Account Holder.

- b) If the self-certification indicates that the Account Holder is resident in a Reportable Jurisdiction, the Reporting Financial Institution must treat the account as a Reportable Account unless it reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person with respect to such Reportable Jurisdiction.

2. Determine Whether the Entity is a Passive NFE with One or More Controlling Persons Who Are Reportable Persons.

With respect to an Account Holder of a New Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must determine whether the Account Holder is a Passive NFE with one or more Controlling Persons who are Reportable Persons. If any of the Controlling Persons of a Passive NFE is a Reportable Person, then the account must be treated as a Reportable Account. In making these determinations the Reporting Financial Institution must follow the guidance in subparagraphs A(2)(a) through (c) in the order most appropriate under the circumstances.

- a) **Determining whether the Account Holder is a Passive NFE.** For purposes of determining whether the Account Holder is a Passive NFE, the Reporting Financial Institution must rely on a self-certification from the Account Holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the Account Holder is an Active NFE or a Financial Institution other than an Investment Entity described in subparagraph A(6)(b) of Section VIII that is not a Participating Jurisdiction Financial Institution.
- b) **Determining the Controlling Persons of an Account Holder.** For purposes of determining the Controlling Persons of an Account Holder, a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.
- c) **Determining whether a Controlling Person of a Passive NFE is a Reportable Person.** For purposes of determining whether a Controlling Person of a Passive NFE is a Reportable Person, a Reporting Financial Institution may rely on a self-certification from the Account Holder or such Controlling Person.

Section VII: Special Due Diligence Rules

The following additional rules apply in implementing the due diligence procedures described above:

A. Reliance on Self-Certifications and Documentary Evidence. A Reporting Financial Institution may not rely on a self-certification or Documentary Evidence if the Reporting Financial Institution knows or has reason to know that the self-certification or Documentary Evidence is incorrect or unreliable.

B. Alternative Procedures for Financial Accounts Held by Individual Beneficiaries of a Cash Value Insurance Contract or an Annuity Contract. A Reporting Financial Institution may presume that an individual beneficiary (other than the owner) of a Cash Value Insurance Contract or an Annuity Contract receiving

a death benefit is not a Reportable Person and may treat such Financial Account as other than a Reportable Account unless the Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person. A Reporting Financial Institution has reason to know that a beneficiary of a Cash Value Insurance Contract or an Annuity Contract is a Reportable Person if the information collected by the Reporting Financial Institution and associated with the beneficiary contains indicia as described in paragraph B of Section III. If a Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person, the Reporting Financial Institution must follow the procedures in paragraph B of Section III.

C. Account Balance Aggregation and Currency Rules.

1. Aggregation of Individual Accounts. For purposes of determining the aggregate balance or value of Financial Accounts held by an individual, a Reporting Financial Institution is required to aggregate all Financial Accounts maintained by the Reporting Financial Institution, or by a Related Entity, but only to the extent that the Reporting Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this subparagraph.

2. Aggregation of Entity Accounts. For purposes of determining the aggregate balance or value of Financial Accounts held by an Entity, a Reporting Financial Institution is required to take into account all Financial Accounts that are maintained by the Reporting Financial Institution, or by a Related Entity, but only to the extent that the Reporting Financial Institution's computerised systems link the Financial Accounts by reference to a data element such as client number or TIN, and allow account balances or values to be aggregated. Each holder of a jointly held Financial Account shall be attributed the entire balance or value of the jointly held Financial Account for purposes of applying the aggregation requirements described in this subparagraph.

3. Special Aggregation Rule Applicable to Relationship Managers. For purposes of determining the aggregate balance or value of Financial Accounts held by a person to determine whether a Financial Account is a High Value Account, a Reporting Financial Institution is also required, in the case of any Financial Accounts that a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts.

4. Amounts Read to Include Equivalent in Other Currencies. All dollar amounts are in US dollars and shall be read to include equivalent amounts in other currencies, as determined by domestic law.

D. Further Applicable Options. Reporting Financial Institutions may exercise the following additional options as part of the due diligence procedures laid down under the CRS:

1. to apply the simplified customer due diligence rules envisaged for Group Cash Value Insurance Contracts and for Group Annuity Contracts;

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2. to use standardised coding systems as part of the due diligence procedure;

3. to consider, as part of the identification process of Reportable Accounts, also new accounts opened by existing customers before 1 January 2016 as Preexisting Accounts, provided that the Financial Institution has properly fulfilled the due diligence requirements under AML legislation with respect to such customers and that the relationship with the customer, based on the Preexisting Account, is ongoing at the time the new account is opened;

4. to extend the definition of Related Entity, in order to classify a fund as an entity related to another fund;

5. to apply the "*Grandfathering Rule*" with respect to exempt collective investment vehicles;

6. to apply USD/Euro currency translation rules provided for by the CRS with respect to the amounts denominated in USD in this Law.

(FATCA) DUE DILIGENCE REQUIREMENTS FOR IDENTIFYING AND REPORTING U.S. ACCOUNTS AND PAYMENTS TO CERTAIN NONPARTICIPATING FINANCIAL INSTITUTIONS

SECTION I - Definitions and general rules

Reporting San Marino financial institutions (hereinafter also Reporting Financial Institutions) shall identify U.S. accounts and accounts held by nonparticipating financial institutions in accordance with the due diligence procedures contained in this Annex C.

A. Definitions:

For the purposes of due diligence procedures, and without prejudice to the definitions set out in Annex A to this Law:

1. "Preexisting accounts" shall mean financial accounts opened by anyone with a Reporting Financial Institution as of 30 June 2014.

2. "New accounts" shall mean financial accounts opened by anyone with a Reporting Financial Institution on or after 1 July 2014.

3. "Individual accounts" shall mean financial accounts maintained with a Reporting Financial Institution by individuals.

4. "Entity accounts" shall mean financial accounts maintained with a Reporting Financial Institution by parties other than individuals.

5. "Preexisting lower value individual accounts" shall mean preexisting individual financial accounts whose balance or value as of 30 June 2014 is higher than \$50,000.00 (\$250,000.00 in case of cash value insurance contracts or annuity contracts) and lower than \$1,000,000.00.

6. "Preexisting high value individual accounts" shall mean preexisting individual financial accounts whose balance or value as of 30 June 2014 or the last day of 2015 or of any subsequent calendar year exceeds \$1,000,000.00.

7. "Preexisting entity accounts" shall mean preexisting entity financial accounts opened with a Reporting Financial Institution as of 30 June 2014.

8. "New entity accounts" shall mean entity financial accounts opened with a Reporting Financial Institution on or after 1 July 2014.

9. "Anti-money laundering procedures" shall mean customer due diligence procedures provided for by Law no. 92 of 17 June 2008 and subsequent amendments and by the Instructions of the Financial Intelligence Agency from time to time in force;

10. "Documentary evidence" shall mean the following documents accepted as part of due diligence procedures:

- a) a certificate of residence issued by the competent tax authority of the country in which the payee claims to be a resident;
- b) with respect to an individual, any valid document issued by an authorised government body, which includes the individual's name and is typically used for identification purposes;
- c) with respect to an entity, any official document issued by an authorised government body, which includes the name of the entity and the address of its principal office

- in the country (or Territory of the United States) in which it claims to be a resident or in which the entity was legally incorporated or organised;
- d) with respect to accounts maintained in a jurisdiction with anti-money laundering rules approved by the IRS in connection with a QI agreement, any of the documents, other than an “*IRS Form W-8*” or an “*IRS Form W-9*”, referenced in the jurisdiction’s attachment to the QI agreement for identifying individuals or entities;
 - e) any financial statement, third-party credit report, bankruptcy filing or reports to the U.S. Securities and Exchange Commission.

B. General rules:

In applying due diligence procedures, Reporting Financial Institutions shall adopt the following general rules:

1. All dollar amounts are in U.S. dollars and shall be read to include equivalent amounts in other currencies.
2. Except as otherwise provided herein, the balance or value of an account shall be determined as of the last day of the calendar year, or in the case of a cash value insurance contract or an annuity contract, as of the last day of the calendar year or the most recent contract anniversary date.
3. Without prejudice to paragraph E(1) of Section II of this Annex, a financial account shall be treated as a reportable U.S. account beginning as of the date it is identified as such pursuant to the due diligence procedures.
4. Unless otherwise provided, information with respect to a U.S. account shall be reported annually in the calendar year following the year to which the information relates.
5. If Reporting Financial Institutions know or have reason to know that a self-certification or documentary evidence is incorrect or unreliable, such self-certification or documentary evidence shall not be treated as valid.

C. Alternative procedure:

As an alternative to the procedures described in each section of this Annex C, Reporting San Marino Financial Institutions may rely on the procedures described in relevant U.S. Treasury Regulations to establish whether an account is a U.S. account or an account held by a nonparticipating financial institution, except that if an account is treated as held by a recalcitrant account holder under procedures described in relevant U.S. Treasury Regulations, such account shall be treated as a U.S. Account for purposes of this Agreement. Reporting San Marino Financial Institutions may make such election separately for each section of this Annex C either with respect to all relevant financial accounts or, separately, with respect to any clearly identified group of such accounts (such as by line of business or the location of where the account is maintained). Except as otherwise provided in an FFI Agreement (agreement concluded with a foreign financial institution), once a Reporting San Marino Financial Institution has chosen to rely on the procedures in relevant U.S. Treasury Regulations with respect to any group of accounts, such Reporting San Marino Financial Institution shall continue to apply such procedures consistently in all subsequent years, unless there has been a material modification to relevant U.S. Treasury Regulations.

SECTION II - Preexisting Individual Accounts

The following rules and procedures shall apply for purposes of identifying U.S. accounts among preexisting accounts held by individuals (“preexisting individual accounts”):

A. Accounts not required to be reviewed, identified or reported.

Unless the Reporting San Marino Financial Institution elects not to apply the exemption thresholds envisaged by the FATCA standard either with respect to all preexisting individual accounts or, separately, with respect to any clearly identified group of such accounts, the following preexisting individual accounts shall not be required to be reviewed, identified or reported as U.S. accounts:

1. subject to subparagraph E(2) of this Section, a preexisting individual account with a balance or value that does not exceed \$50,000 as of 30 June 2014, unless it becomes a high value account as of the last day of 2015 or of any subsequent calendar year;

2. subject to subparagraph E(2) of this Section, a preexisting individual account that is a cash value insurance contract or an annuity contract with a balance or value of \$250,000 or less as of 30 June 2014, unless it becomes a high value account as of the last day of 2015 or of any subsequent calendar year;

3. a preexisting individual account that is a cash value insurance contract or an annuity contract, provided the law or regulations of San Marino or the United States effectively prevent the sale of such a cash value insurance contract or an annuity contract to U.S. residents (e.g., if the relevant financial institution does not have the required registration under U.S. law, and the law of San Marino requires reporting or withholding with respect to insurance products held by residents of San Marino);

4. a depository account with a balance of \$50,000 or less.

B. Review procedures for preexisting individual accounts with a balance or value as of 30 June 2014 that exceeds \$50,000 (\$250,000 for a cash value insurance contract or annuity contract), but does not exceed \$1,000,000 (“lower value accounts”).

1. Electronic record search. The Reporting San Marino Financial Institution shall review electronically searchable data maintained by the Reporting San Marino Financial Institution for any of the following U.S. indicia:

- a) identification of the account holder as a U.S. citizen or resident;
- b) unambiguous indication of a U.S. place of birth;
- c) current U.S. mailing or residence address (including a U.S. post office box);
- d) current U.S. telephone number;
- e) standing instructions to transfer funds to an account maintained in the United States;
- f) currently effective power of attorney or signatory authority granted to a person with a U.S. address; or

- g) an “in-care-of” or “hold mail” address that is the sole address the Reporting San Marino Financial Institution has on file for the account holder. In the case of a preexisting individual account that is a lower value account, an “in-care-of” address outside the United States or “hold mail” address shall not be treated as U.S. indicia.

2. If none of the U.S. indicia listed in subparagraph B(1) of this section are discovered in the electronic search, then no further action is required until there is a change in circumstances that results in one or more U.S. indicia being associated with the account, or the account becomes a High Value Account described in paragraph D of this section.

3. If any of the U.S. indicia listed in subparagraph B(1) of this section are discovered in the electronic search, or if there is a change in circumstances that results in one or more U.S. indicia being associated with the account, then the Reporting San Marino Financial Institution shall treat the account as a U.S. account unless it elects to apply subparagraph B(4) of this section and one of the exceptions in such subparagraph applies with respect to that account.

4. Notwithstanding a finding of U.S. indicia under subparagraph B(1) of this section, a Reporting San Marino Financial Institution shall not be required to treat an account as a U.S. account in the following cases:

- a) Where the account holder information unambiguously indicates a ***U.S. place of birth***, the Reporting San Marino Financial Institution obtains, or has previously reviewed and maintains a record of:
- (1) a self-certification that the account holder is neither a U.S. citizen nor a U.S. resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed form);
 - (2) a non-U.S. passport or other government-issued identification evidencing the account holder’s citizenship or nationality in a country other than the United States; and
 - (3) a copy of the account holder’s Certificate of Loss of Nationality of the United States or a reasonable explanation of:
 - (a) the reason the account holder does not have such a certificate despite relinquishing U.S. citizenship; or
 - (b) the reason the account holder did not obtain U.S. citizenship at birth.
- b) Where the account holder information contains ***a current U.S. mailing or residence address, or one or more U.S. telephone numbers that are the only telephone numbers associated with the account***, the Reporting San Marino Financial Institution obtains, or has previously reviewed and maintains a record of:
- (1) a self-certification that the account holder is neither a U.S. citizen nor a U.S. resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed form);
 - (2) documentary evidence, as defined in paragraph D of section VI of this Annex C, establishing the account holder’s non-U.S. status.

- c) Where the account holder information contains ***standing instructions to transfer funds to an account maintained in the United States***, the Reporting San Marino Financial Institution obtains, or has previously reviewed and maintains a record of:
- (1) a self-certification that the account holder is neither a U.S. citizen nor a U.S. resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed form);
 - (2) documentary evidence, as defined in paragraph D of section VI of this Annex C, establishing the account holder's non-U.S. status.
- d) Where the account holder information contains ***a currently effective power of attorney or signatory authority granted to a person with a U.S. address, has an "in-care-of" address or "hold mail" address that is the sole address identified for the account holder, or has one or more U.S. telephone numbers*** (if a non-U.S. telephone number is also associated with the account), the Reporting San Marino Financial Institution obtains, or has previously reviewed and maintains a record of:
- (1) a self-certification that the account holder is neither a U.S. citizen nor a U.S. resident for tax purposes (which may be on an IRS Form W-8 or other similar agreed form); or
 - (2) documentary evidence, as defined in paragraph D of section VI of this Annex C, establishing the account holder's non-U.S. status.

C. Additional procedures applicable to preexisting individual accounts that are lower value accounts.

1. Review of preexisting individual accounts that are lower value accounts for U.S. indicia shall be completed by 30 June 2016.

2. If there is a change in circumstances with respect to a preexisting individual account that is a lower value account that results in one or more U.S. indicia described in subparagraph B(1) of this section being associated with the account, then the Reporting San Marino Financial Institution shall treat the account as a U.S. account unless subparagraph B(4) of this section applies.

3. Except for depository accounts described in subparagraph A(4) of this section, any preexisting individual account that has been identified as a U.S. account under this section shall be treated as a U.S. account in all subsequent years, unless the account holder ceases to be a specified U.S. person.

D. Enhanced review procedures for preexisting individual accounts with a balance or value that exceeds \$1,000,000 as of 30 June 2014, or the last day of 2015 or of any subsequent year ("high value accounts").

1. Electronic Record Search. The Reporting San Marino Financial Institution shall review electronically searchable data maintained by the Reporting San Marino Financial Institution for any of the U.S. indicia described in subparagraph B(1) of this section.

2. Paper Record Search. If the Reporting San Marino Financial Institution's electronically searchable databases include fields for, and capture all of the information described in, subparagraph D(3) of this section, then no further paper record search shall be required. If the electronic databases do not capture all of this information, then with respect to a high value account, the Reporting San Marino Financial Institution shall also review the current customer master file and, to the extent not contained in the current customer master file, the following documents associated with the account and obtained by the Reporting San Marino Financial Institution within the last five years for any of the U.S. indicia described in subparagraph B(1) of this section:

- a) the most recent documentary evidence collected with respect to the account;
- b) the most recent account opening contract or documentation;
- c) the most recent documentation obtained by the Reporting San Marino Financial Institution pursuant to AML/KYC procedures or for other regulatory purposes;
- d) any power of attorney or signature authority forms currently in effect; and
- e) any standing instructions to transfer funds currently in effect.

3. Exception to the extent databases contain sufficient information. A Reporting San Marino Financial Institution shall not be required to perform the paper record search described in subparagraph D(2) of this section if the Reporting San Marino Financial Institution's electronically searchable information includes the following:

- a) the account holder's nationality or residence status;
- b) the account holder's residence address and mailing address currently on file with the Reporting San Marino Financial Institution;
- c) the account holder's telephone number(s) currently on file, if any, with the Reporting San Marino Financial Institution;
- d) whether there are standing instructions to transfer funds in the account to another account (including an account at another branch of the Reporting San Marino Financial Institution or another financial institution);
- e) whether there is a current "in-care-of" address or "hold mail" address for the account holder; and
- f) whether there is any power of attorney or signatory authority for the account.

4. Relationship manager inquiry for actual knowledge. In addition to the electronic and paper record searches described above, the Reporting San Marino Financial Institution shall treat as a U.S. account any high value account assigned to a relationship manager (including any financial accounts aggregated with such high value account) if the relationship manager has actual knowledge that the account holder is a specified U.S. person.

5. Effect of finding U.S. indicia.

- a) If none of the U.S. indicia listed in subparagraph B(1) of this section are discovered in the enhanced review of high value accounts described above, and the account is not identified as held by a specified U.S. person in subparagraph D(4) of this section, then no further action is required until there is a change in circumstances that results in one or more U.S. indicia being associated with the account.
- b) If any of the U.S. indicia listed in subparagraph B(1) of this section are discovered in the enhanced review of high value accounts described above, or if there is a subsequent change in circumstances that results in one or more U.S. indicia being

associated with the account, then the Reporting San Marino Financial Institution shall treat the account as a U.S. account unless it elects to apply subparagraph B(4) of this section and one of the exceptions in such subparagraph applies with respect to that account.

- c) Except for depository accounts described in subparagraph A(4) of this section, any preexisting individual account that has been identified as a U.S. account under this section shall be treated as a U.S. account in all subsequent years, unless the account holder ceases to be a specified U.S. person.

E. Additional procedures applicable to high value accounts.

1. If a preexisting individual account is a high value account as of 30 June 2014, the Reporting San Marino Financial Institution shall complete the enhanced review procedures described in paragraph D of this section with respect to such account by 30 June 2015. If based on this review such account is identified as a U.S. account on or before 31 December 2014, the Reporting San Marino Financial Institution shall report the required information about such account with respect to 2014 in the first report on the account and on an annual basis thereafter. In the case of an account identified as a U.S. account after 31 December 2014 and on or before 30 June 2015, the Reporting San Marino Financial Institution shall not be required to report information about such account with respect to 2014, but shall report information about the account on an annual basis thereafter.

2. If a preexisting individual account is not a high value account as of 30 June 2014, but becomes a high value account as of the last day of 2015 or any subsequent calendar year, the Reporting San Marino Financial Institution shall complete the enhanced review procedures described in paragraph D of this section with respect to such account within six months after the last day of the calendar year in which the account becomes a high value account. If based on this review such account is identified as a U.S. account, the Reporting San Marino Financial Institution shall report the required information about such account with respect to the year in which it is identified as a U.S. account and subsequent years on an annual basis, unless the account holder ceases to be a specified U.S. person.

3. Once a Reporting San Marino Financial Institution applies the enhanced review procedures described in paragraph D of this section to a high value account, the Reporting San Marino Financial Institution is not required to re-apply such procedures, other than the relationship manager inquiry described in subparagraph D(4) of this section, to the same high value account in any subsequent year.

4. If there is a change in circumstances with respect to a high value account that results in one or more U.S. indicia described in subparagraph B(1) of this section being associated with the account, then the Reporting San Marino Financial Institution shall treat the account as a U.S. account unless it elects to apply subparagraph B(4) of this section and one of the exceptions in such subparagraph applies with respect to that account.

5. A Reporting San Marino Financial Institution shall implement procedures to ensure that a relationship manager identifies any change in circumstances of an account. For example, if a relationship manager is

notified that the account holder has a new mailing address in the United States, the Reporting San Marino Financial Institution shall be required to treat the new address as a change in circumstances and, if it elects to apply subparagraph B(4) of this section, is required to obtain the appropriate documentation from the account holder.

F. Preexisting individual accounts that have been documented for certain other purposes.

A Reporting San Marino Financial Institution that has previously obtained documentation from an account holder to establish the account holder's status as neither a U.S. citizen nor a U.S. resident in order to meet its obligations under a qualified intermediary, withholding foreign partnership, or withholding foreign trust agreement with the IRS, or to fulfil its obligations under Chapter 61 of Title 26 of the United States Code, shall not be required to perform the procedures described in subparagraph B(1) of this section with respect to lower value accounts or subparagraphs D(1) through D(3) of this section with respect to high value accounts.

SECTION III - New individual accounts

The following rules and procedures shall apply for purposes of identifying U.S. accounts among financial accounts held by individuals and opened on or after 1 July 2014 ("new individual accounts"):

A. Accounts not required to be reviewed, identified or reported.

Unless the Reporting San Marino Financial Institution elects not to apply the exemption thresholds envisaged by the FATCA standard either with respect to all new individual accounts or, separately, with respect to any clearly identified group of such accounts, the following new individual accounts shall not be required to be reviewed, identified, or reported as U.S. accounts:

1. a depository account, unless the account balance exceeds \$50,000 at the end of any calendar year;
2. a cash value insurance contract, unless the cash value exceeds \$50,000 at the end of any calendar year.

B. Other new individual accounts.

With respect to new individual accounts not described in paragraph A of this section, upon account opening (or within 90 days after the end of the calendar year in which the account ceases to be described in paragraph A of this section), the Reporting San Marino Financial Institution shall obtain a self-certification, which may be part of the account opening documentation, that allows the Reporting San Marino Financial Institution to determine whether the account holder is resident in the United States for tax purposes (for this purpose, a U.S. citizen is considered to be resident in the United States for tax purposes, even if the account holder is also a tax resident of another jurisdiction) and confirm the reasonableness of such self-certification based on the information obtained by the

Reporting San Marino Financial Institution in connection with the opening of the account, including any documentation collected pursuant to AML/KYC procedures.

1. If the self-certification establishes that the account holder is resident in the United States for tax purposes, the Reporting San Marino Financial Institution shall treat the account as a U.S. account and obtain a self-certification that includes the account holder's U.S. TIN (which may be an IRS Form W-9 or other similar agreed form).

2. If there is a change in circumstances with respect to a new individual account that causes the Reporting San Marino Financial Institution to know, or have reason to know, that the original self-certification is incorrect or unreliable, the Reporting San Marino Financial Institution cannot rely on the original self-certification and shall obtain a valid self-certification that establishes whether the account holder is a U.S. citizen or resident in the United States for tax purposes. If the Reporting San Marino Financial Institution is unable to obtain a valid self-certification, the Reporting San Marino Financial Institution shall treat the account as a non-consenting U.S. account.

SECTION IV - Preexisting entity accounts

The following rules and procedures shall apply for purposes of identifying U.S. accounts and accounts held by nonparticipating financial institutions among preexisting accounts held by entities ("preexisting entity accounts"):

A. Entity accounts not required to be reviewed, identified or reported.

Unless the Reporting San Marino Financial Institution elects not to apply the exemption thresholds envisaged by the FATCA standard either with respect to all preexisting entity accounts or, separately, with respect to any clearly identified group of such accounts, a preexisting entity account with an account balance or value that does not exceed \$250,000 as of 30 June 2014, is not required to be reviewed, identified or reported as a U.S. account until the account balance or value exceeds \$1,000,000.

B. Entity accounts subject to review.

A preexisting entity account that has an account balance or value that exceeds \$250,000 as of 30 June 2014, and a preexisting entity account that does not exceed \$250,000 as of 30 June 2014 but the account balance or value of which exceeds \$1,000,000 as of the last day of 2015 or any subsequent calendar year, shall be reviewed in accordance with the procedures set forth in paragraph D of this section.

C. Entity accounts with respect to which reporting is required.

With respect to preexisting entity accounts described in paragraph B of this section, only accounts that are held by one or more entities that are specified U.S. persons, or by passive NFFEs with one or more controlling persons who are U.S. citizens or residents, shall be treated as U.S. accounts. In addition, accounts held by nonparticipating financial institutions shall be treated as accounts for which aggregate payments are required to be reported under an FFI Agreement.

D. Review procedures for identifying entity accounts with respect to which reporting is required.

For preexisting entity accounts described in paragraph B of this section, the Reporting San Marino Financial Institution shall apply the following review procedures to determine whether the account is held by one or more specified U.S. persons, by passive NFFEs with one or more controlling persons who are U.S. citizens or residents, or by nonparticipating financial institutions:

1. Determine whether the entity is a specified U.S. person.

- a) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC procedures) to determine whether the information indicates that the account holder is a U.S. person. For this purpose, information indicating that the account holder is a U.S. person includes a U.S. place of incorporation or organisation, or a U.S. address.
- b) If the information indicates that the account holder is a U.S. person, the Reporting San Marino Financial Institution shall treat the account as a U.S. account unless it obtains a self-certification from the account holder (which may be on an IRS Form W-8 or W-9, or a similar agreed form), or reasonably determines, based on information in its possession or that is publicly available, that the account holder is not a specified U.S. person.

2. Determine whether a non-U.S. entity is a financial institution.

- a) Review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC procedures) to determine whether the information indicates that the account holder is a financial institution.
- b) If the information indicates that the account holder is a financial institution, or the Reporting San Marino Financial Institution verifies the account holder's Global Intermediary Identification Number on the published IRS FFI list, then the account is not a U.S. account.

3. Determine whether a financial institution is a nonparticipating financial institution payments to which are subject to aggregate reporting consistent with the requirements of an FFI agreement.

- a) Subject to subparagraph D(3)(b) of this section, a Reporting San Marino Financial Institution may determine that the account holder is a San Marino financial institution or other partner jurisdiction financial institution if the Reporting San Marino Financial Institution reasonably determines that the account holder has such status on the basis of the account holder's Global Intermediary Identification Number on the published IRS FFI list or other information that is publicly available or in the possession of the Reporting San Marino Financial Institution, as applicable. In such case, no further review, identification, or reporting is required with respect to the account.
- b) If the account holder is a San Marino financial institution or other

partner jurisdiction financial institution treated by the IRS as a nonparticipating financial institution, then the account is not a U.S. account, but payments to the account holder shall be reported consistent with the requirements of an FFI agreement.

- c) If the account holder is not a San Marino financial institution or other partner jurisdiction financial institution, then the Reporting San Marino Financial Institution shall treat the account holder as a nonparticipating financial institution payments to which are reportable consistent with the requirements of an FFI agreement, unless the Reporting San Marino Financial Institution:
- (1) obtains a self-certification (which may be on an IRS Form W-8 or similar agreed form) from the account holder that it is a certified deemed-compliant FFI, or an exempt beneficial owner, as those terms are defined in relevant U.S. Treasury Regulations; or
 - (2) in the case of a participating FFI or registered deemed-compliant FFI, verifies the account holder's Global Intermediary Identification Number on the published IRS FFI list.

4. Determine whether an account held by an NFFE is a U.S. account.

With respect to an account holder of a preexisting entity account that is not identified as either a U.S. person or a financial institution, the Reporting San Marino Financial Institution shall identify (i) whether the account holder has controlling persons, (ii) whether the account holder is a passive NFFE, and (iii) whether any of the controlling persons of the account holder is a U.S. citizen or resident. In making these determinations the Reporting San Marino Financial Institution shall follow the guidance in subparagraphs D(4)(a) through D(4)(d) of this section in the order most appropriate under the circumstances.

- a) For purposes of determining the controlling persons of an account holder, a Reporting San Marino Financial Institution may rely on information collected and maintained pursuant to AML/KYC procedures.
- b) For purposes of determining whether the account holder is a passive NFFE, the Reporting San Marino Financial Institution shall obtain a self-certification (which may be on an IRS Form W-8 or W-9, or on a similar agreed form) from the account holder to establish its status, unless it has information in its possession or that is publicly available, based on which it can reasonably determine that the account holder is an active NFFE.
- c) For purposes of determining whether a controlling person of a passive NFFE is a U.S. citizen or resident for tax purposes, a Reporting San Marino Financial Institution may rely on:
 - 1) information collected and maintained pursuant to AML/KYC procedures in the case of a preexisting entity account held by one or more NFFEs with an account balance or value that does not exceed \$1,000,000; or
 - 2) a self-certification (which may be on an IRS Form W-8 or W-9, or on a similar agreed form) from the account holder or such controlling person in the case of a preexisting entity account held by one or more NFFEs with an account balance or value that exceeds \$1,000,000.
- d) If any controlling person of a passive NFFE is a U.S. citizen or resident, the account shall be treated as a U.S. account.

E. Timing of review and additional procedures applicable to preexisting entity accounts.

1. Review of preexisting entity accounts with an account balance or value that exceeds \$250,000 as of 30 June 2014 shall be completed by 30 June 2016.

2. Review of Preexisting Entity Accounts with an account balance or value that does not exceed \$250,000 as of June 30, 2014, but exceeds \$1,000,000 as of December 31 of 2015 or any subsequent year, must be completed within six months after the last day of the calendar year in which the account balance or value exceeds \$1,000,000.

3. If there is a change in circumstances with respect to a preexisting entity account that causes the Reporting San Marino Financial Institution to know, or have reason to know, that the self-certification or other documentation associated with an account is incorrect or unreliable, the Reporting San Marino Financial Institution shall redetermine the status of the account in accordance with the procedures set forth in paragraph D of this section.

Section V - New entity accounts.

The following rules and procedures shall apply for purposes of identifying U.S. accounts and accounts held by nonparticipating financial institutions among financial accounts held by entities and opened on or after 1 July 2014 ("new entity accounts"):

A. Entity accounts not required to be reviewed, identified or reported.

Unless the Reporting San Marino Financial Institution elects otherwise, either with respect to all new entity accounts or, separately, with respect to any clearly identified group of such accounts, a credit card account or a revolving credit facility treated as a new entity account shall not be required to be reviewed, identified or reported, provided that the Reporting San Marino Financial Institution maintaining such account implements policies and procedures to prevent an account balance owed to the account holder that exceeds \$50,000.

B. Other new entity accounts.

With respect to new entity accounts not described in paragraph A of this section, the Reporting San Marino Financial Institution shall determine whether the account holder is: (i) a specified U.S. person; (ii) a San Marino financial institution or other partner jurisdiction financial institution; (iii) a participating FFI, a deemed-compliant FFI, or an exempt beneficial owner, as those terms are defined in relevant U.S. Treasury Regulations; or (iv) an active NFFE or passive NFFE.

1. Subject to subparagraph B(2) of this section, a Reporting San Marino Financial Institution may determine that the account holder is an active NFFE, a San Marino financial institution, or other partner jurisdiction financial institution if the Reporting San Marino Financial Institution reasonably determines that the account holder has such status on the basis of the account holder's Global Intermediary Identification Number or other information that is publicly available or in the possession of the Reporting San Marino Financial Institution, as applicable.

2. If the account holder is a San Marino financial institution or other partner jurisdiction financial institution treated by the IRS as a nonparticipating financial institution, then the account is not a U.S. account, but payments to the account holder shall be reported consistent with the requirements of an FFI agreement.

3. In all other cases, a Reporting San Marino Financial Institution shall obtain a self-certification from the account holder to establish the account holder's status. Based on the self-certification, the following rules shall apply:

- a) If the account holder is a specified U.S. person, the Reporting San Marino Financial Institution shall treat the account as a U.S. account.
- b) If the account holder is a passive NFFE, the Reporting San Marino Financial Institution shall identify the controlling persons as determined under AML/KYC procedures, and shall determine whether any such person is a U.S. citizen or resident on the basis of a self-certification from the account holder or such person. If any such person is a U.S. citizen or resident, the Reporting San Marino Financial Institution shall treat the account as a U.S. account.
- c) If the account holder is: (i) a U.S. person that is not a specified U.S. person; (ii) subject to subparagraph B(3)(d) of this section, a San Marino financial institution or other partner jurisdiction financial institution; (iii) a participating FFI, a deemed-compliant FFI, or an exempt beneficial owner, as those terms are defined in relevant U.S. Treasury Regulations; (iv) an active NFFE; or (v) a passive NFFE none of the controlling persons of which is a U.S. citizen or resident, then the account is not a U.S. account, and no reporting is required with respect to the account.
- d) If the account holder is a nonparticipating financial institution (including a San Marino financial institution or other partner jurisdiction financial institution treated by the IRS as a nonparticipating financial institution), then the account is not a U.S. account, but payments to the account holder shall be reported consistent with the requirements of an FFI agreement.

Section VI - Additional rules

The following additional rules shall apply in implementing the due diligence procedures described above:

1. Balance aggregation rules.

For purposes of determining the aggregate balance or value of accounts held by an individual or an entity, a Reporting San Marino Financial Institution shall aggregate all accounts maintained by the Reporting San Marino Financial Institution, as well as by any members of its expanded affiliated group or sponsored FI group, but only to the extent that the Reporting San Marino Financial Institution's computerised systems link the accounts by reference to a data element, such as client number or taxpayer identification number. For purposes of applying the aggregation requirements described in this aggregation rule, the Reporting San Marino Financial Institution shall attribute to each holder of a jointly held account the entire balance or value of the account .

2. Special aggregation rule applicable to relationship managers.

For purposes of determining the aggregate balance or value of financial accounts held by a person to determine whether a financial account is a high value account, a Reporting San Marino Financial Institution shall also be required, in the case of any financial accounts that a relationship manager knows, or has reason to know, are directly or indirectly owned, controlled, or established (other than in a fiduciary capacity) by the same person, to aggregate all such accounts.

3. Currency translation rule.

For purposes of determining the balance or value of financial accounts denominated in a currency other than the U.S. dollar, a Reporting San Marino Financial Institution shall convert the U.S. dollar threshold amounts described in this Annex C into such currency using a published spot rate determined as of the last day of the calendar year preceding the year in which the Reporting San Marino Financial Institution is determining the balance or value.

Alternative procedures for financial accounts held by individual beneficiaries of a cash value insurance contract.

A Reporting San Marino Financial Institution may presume that an individual beneficiary (other than the owner) of a cash value insurance contract receiving a death benefit is not a specified U.S. person and may treat such financial account as other than a U.S. account unless the Reporting San Marino Financial Institution has actual knowledge, or reason to know, that the beneficiary is a specified U.S. person. A Reporting San Marino Financial Institution has reason to know that a beneficiary of a cash value insurance contract is a specified U.S. person if the information collected by the Reporting San Marino Financial Institution and associated with the beneficiary contains U.S. indicia as described in subparagraph (B)(1) of section II of this Annex C. If a Reporting San Marino Financial Institution has actual knowledge, or reason to know, that the beneficiary is a specified U.S. person, the Reporting San Marino Financial Institution must follow the procedures in subparagraph B(3) of section II of this Annex C.

Alternative procedures for new accounts opened prior to entry into force of IGA SM.

Alternative procedures provided for in IGA SM for new accounts opened prior to entry into force of this agreement shall apply mutatis mutandis.

Alternative procedures for new entity accounts opened on or after 1 July 2014, and before 1 January 2015.

For new entity accounts opened on or after 1 July 2014, and before 1 January 2015, either with respect to all new entity accounts or, separately, with respect to any clearly identified group of such accounts, Reporting San Marino Financial Institutions may treat such accounts as preexisting entity accounts and apply the due diligence procedures related to preexisting entity accounts specified in section IV of this Annex C in lieu of the due diligence procedures specified in section V of this Annex C. In this case, the due diligence procedures

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of section IV of this Annex C shall be applied without regard to the account balance or value threshold specified in paragraph A of section IV of this Annex C.