

## Explanations on the “Automatic Exchange of Information”

The so-called “automatic exchange of information of financial accounts” ensues in accordance with the defined OECD standard between individual states. More than 100 countries and jurisdictions worldwide are committed to the reciprocal exchange by the respective financial institutions of customer data on tax matters. Additional information on participating countries is available here:

<http://www.oecd.org/tax/transparency/AEOI-commitments.pdf>

Based on the relevant law of December 18th 2015, under the “automatic exchange” of information on tax matters, all financial institutions are obliged to determine the tax resident status of their customers as of 01 January 2016, or to investigate possible **tax residency abroad**. This also applies to the controlling persons of legal entities in certain constellations.

If according to our information, you as an investor own an account at our Transfer Agent, are a tax-resident in a country other than Luxembourg or if there is evidence indicating tax residency outside Luxembourg, we are obliged to report your data to the central tax office in Luxembourg **Administration des Contributions Directes**.

The automatic exchange of tax information is carried out directly between the competent authorities of the Contracting States based on **annual reporting** and common reporting and due diligence standards. The Member States are committed to collect information from financial institutions (banks, insurance companies) based in their territory, on taxpayers who are liable to tax in other **Contracting States** and to make the information available to the other Contracting States, for example Luxembourg. Accordingly, we will collect the following data, which we will forward to the central tax office in Luxembourg in the case of a reporting obligation:

- **name, address, country of residence, tax identification number/TIN, as well as date and place of birth**
- **account number**
- **deposit values and account balance**
- **credited totals of capital income such as interest and dividends and other income**
- **total gross income from the sale or repurchase or redemption of financial assets, in particular securities**

This **Reporting Obligation applies from the year 2017 onwards for the previous calendar year** respectively. As of 2017 the central tax office in Luxembourg will forward the data to all relevant states, if there is evidence of a tax resident status and the corresponding legal agreement applies for these states.

Luxembourg receives data on the accounts of persons residing in Luxembourg from these participating countries.

We would like to point out that this “Automatic exchange of information” reporting will not release you from your tax declaration obligations towards your local tax authority. Due to different reporting requirements, the data of your accounts contained in the annual tax report may differ from the data reported within the framework of information exchange.

IPConcept (Luxembourg) S.A. is responsible for the processing of data within the meaning of the Luxembourg Data Protection Act. Pursuant to Article 28 of the Luxembourg Data Protection Act, and upon request, you may obtain information about data concerning you which are reported to the competent tax authority in Luxembourg. You can also request a correction should relevant factual errors (for example incorrect spelling of the name) have occurred.

In general, IPConcept (Luxembourg) S.A. may not provide individual advice on tax matters. A tax consultant to clarify tax issues may be required.