

**(Unofficial English translation of the Annex of
Chief Executive Resolution no. 232/2020)**

Annex

**The Common Reporting Standard and the Due Diligence Procedures for
Financial Account Information**

Article 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 to the Financial Services Bureau (hereinafter “DSF”):

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 Articles 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 TIN(s) 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, if the account was closed during such 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 period from 1 July 2017 to 31 December 2017 or any subsequent calendar year; and

b) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the period from 1 July 2017 to 31 December 2017 or any subsequent calendar year 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 period from 1 July 2017 to 31 December 2017 or any subsequent calendar year; and

7. in the case of any account not described in subparagraph A(5) or A(6), the total gross amount paid or credited to the Account Holder with respect to the account during the period from 1 July 2017 to 31 December 2017 or any subsequent calendar year with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the period from 1 July 2017 to 31 December 2017 or any subsequent calendar year.

B. The information reported must 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 or with respect to each Financial Account that is opened prior to becoming a Reportable 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. 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 during the period from 1 July 2017 to 31 December 2017 or any subsequent calendar year.

D. Notwithstanding subparagraph A(1), the TIN is not required to be reported if:

- (1) a TIN is not issued by the relevant Reportable Jurisdiction or
- (2) the internal law of the relevant Reportable Jurisdiction does not require the collection of the TIN.

E. Notwithstanding subparagraph A(1), the place of birth is not required to be reported unless 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 2018 is the information described in such paragraph, except for gross proceeds described in subparagraph A(5)(b) which start to be reported in 2019.

G. Arrangements for initial reporting of information are as follows:

Type of financial accounts identified as reportable accounts	Year to report information		
Financial Accounts maintained by a Reporting Financial Institution opened on or after 1 July 2017	2018		
	High Value Individual Accounts	Low Value Individual Accounts	Entity Accounts
Financial Accounts maintained by a Reporting Financial Institution as of 30 June 2017	2018	2018 or 2019, depends on when the account is identified as reportable	2018 or 2019, depends on when the account is identified as reportable

Article 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 described in Articles 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. A Reporting Financial Institution, pursuant to the procedures described in Articles II through VII, identifies any account as a Foreign Account that is not a Reportable

Account at the time the due diligence is performed, may rely on the outcome of such procedures to comply with future reporting obligations.

C. The balance or value of an account is determined as of the last day of the calendar year.

D. 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.

E. Reporting Financial Institutions may use service providers to fulfill the reporting and due diligence obligations, but these obligations shall remain the responsibility of the Reporting Financial Institutions.

F. Reporting Financial Institutions may 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 New Account due diligence procedures are used for Preexisting Accounts, the rules otherwise applicable to Preexisting Accounts continue to apply.

G. Reporting Financial Institutions shall identify the jurisdiction of residence of Account Holder in a wider approach, in order to identify the reportable accounts and collect relevant information from the financial accounts maintained.

Article III

Due Diligence Procedures applicable in identifying Reportable Accounts in Preexisting Individual Accounts

A. Due diligence procedures applicable to Lower Value Accounts:

1. 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.

2. 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 A(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 A(3) through (6):

- a)* identification of the Account Holder as a resident of a Foreign Jurisdiction for tax purposes;
- b)* current mailing or residence address (including a post office box) in a Foreign Jurisdiction;
- c)* one or more telephone numbers in a Foreign Jurisdiction and no telephone number in the Macao Special Administrative Region (“hereinafter “Macao SAR”).
- d)* standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a Foreign Jurisdiction;
- e)* currently effective power of attorney or signatory authority granted to a person with an address in a Foreign Jurisdiction; or
- f)* a “hold mail” instruction or “in-care-of” address in a Foreign 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 A(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 A(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 Foreign Jurisdiction for which an indicium is identified, unless it elects to apply subparagraph A(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 A(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 B(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 or insufficient, the Reporting Financial Institution must report to DSF the

account as an undocumented account.

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

a) the Account Holder information contains a current mailing or residence address in the Foreign Jurisdiction, one or more telephone numbers in the Foreign Jurisdiction (and no telephone number in Macao SAR) or standing instructions (with respect to Financial Accounts other than Depository Accounts) to transfer funds to an account maintained in a Foreign 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 Foreign Jurisdiction; and
- ii)* Documentary Evidence establishing the Account Holder's residence for tax purposes other than such Foreign Jurisdiction.

b) the Account Holder information contains a currently effective power of attorney or signatory authority granted to a person with an address in a Foreign 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 Foreign Jurisdiction; or
- ii)* Documentary Evidence establishing the Account Holder's identity as a resident for tax purposes other than that as a resident in such Foreign Jurisdiction.

B. Due diligence procedures applicable to for High Value Accounts:

1. 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 A(2).

2. If the Reporting Financial Institution's electronically searchable databases include fields for, and capture all of the information described in, subparagraph B(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 A(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. A Reporting Financial Institution is not required to perform the paper record search described in subparagraph B(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. 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 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 A(2) are discovered in the enhanced review of High Value Accounts described above, and the account is not identified as held by a resident for tax purposes in a Foreign Jurisdiction in subparagraph B(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 A(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 Holder as a resident for tax purposes of each Foreign Jurisdiction for which an indicium is identified unless it elects to apply subparagraph A(6) and one of the exceptions in such subparagraph applies with respect to that account.

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 A(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 to DSF the account as an undocumented account.

6. If a Preexisting Individual Account is not a High Value Account as of 30 June 2017, but becomes a High Value Account as of 31 December 2017 or the last day of any subsequent calendar year, the Reporting Financial Institution must complete the enhanced review procedures described in paragraph B 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 B 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 B(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 of circumstances with respect to a High Value Account that results in one or more indicia described in subparagraph A(2) being associated with the account, then the Reporting Financial Institution must treat the account as a Reportable Account with respect to each Foreign Jurisdiction for which an indicium is

identified unless it elects to apply subparagraph A(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 Foreign Jurisdiction, the Reporting Financial Institution is required to treat the new address as a change in circumstances and, if it elects to apply subparagraph A(6), is required to obtain the appropriate documentation from the Account Holder.

C. Review of Preexisting Individual High Value Accounts must be completed by 30 June 2018. Review of Preexisting Individual Low Value Accounts must be completed by 30 June 2019.

D. If any Preexisting Individual Account is identified as a Reportable Account in accordance with this Article, it would be treated as Reportable Account in the subsequent years, unless the Account Holder ceases to be a Reportable Person.

Article IV

Due Diligence Procedures applicable in identifying Reportable Accounts in New Individual Accounts

A. With respect to New Individual Accounts, upon account opening, a 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. For new accounts where self-certification is not provided, Financial Institutions should not provide account services to new customers.

B. Without prejudice to Article I (D), 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 and date of birth.

C. If there is a change of 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.

Article V

Due Diligence Procedures applicable in identifying Reportable Accounts in Preexisting Entity Accounts

A. 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 MOP 2,000,000 as of 30 June 2017, is not required to be reviewed, identified, or reported as a Reportable Account until the aggregate account balance or value exceeds MOP 2,000,000 as of 31 December 2017, or the last day of any subsequent calendar year.

B. A Preexisting Entity Account that has an aggregate account balance or value that exceeds MOP 2,000,000 as of 30 June 2017, and a Preexisting Entity Account that does not exceed MOP 2,000,000 as of 30 June 2017 but the aggregate account balance or value of which exceeds MOP 2,000,000 as of 31 December 2017 or the last day of any subsequent calendar year, must be reviewed in accordance with the procedures set forth in paragraph D.

C. For Preexisting Entity Accounts described in paragraph B, a Reporting Financial Institution must apply the following review procedures:

1. Method of determining whether an 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 Foreign Jurisdiction. For this purpose, information indicating that the Account Holder is resident in a Foreign Jurisdiction includes a place of incorporation or organisation, or an address in a Foreign Jurisdiction.

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

a) 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(7)(b) of Article VIII that is not a Participating Jurisdiction Financial Institution.

b) 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) 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 Passive NFEs with an aggregate account balance or value that does not exceed MOP 8,000,000; 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. If a self-certification is not provided, the Reporting Financial Institution will establish such resident for tax purposes by applying the procedures described in paragraph A(2) of Article III.

D. 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 MOP 2,000,000 as of 30 June 2017 must be completed by 30 June 2019.

2. Review of Preexisting Entity Accounts with an aggregate account balance or value that does not exceed MOP 2,000,000 as of 30 June 2017, but exceeds such amount as of 31 December 2017 or the last day of a subsequent year, must be completed within the calendar year following the year in which the aggregate account balance or value exceeds the abovementioned amount.

3. If there is a change of 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 C.

Article VI

Due Diligence Procedures applicable in identifying Reportable Accounts in New Entity Accounts

For New Entity Accounts, in order to identify whether such account is held by one or more Reportable Person(s), or is held by a Passive NFE with one or more Controlling Persons that is a Reportable Person, Reporting Financial Institution must apply the following review procedures.

A. Method of determining whether the Entity is a Reportable Person.

a) Obtain a self-certification upon account opening, 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. For new accounts where self-certification is not provided, Financial Institutions should not provide account services to new customers.

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.

B. With respect to an Account Holder of a New Entity Account (including an Entity that is a Reportable Person), the Reporting Financial Institution must identify whether the Account Holder is a Passive NFE with one or more Controlling Persons that is a Reportable Person. 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) 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(7)(b) of Article VIII that is not a Participating Jurisdiction Financial Institution.

b) 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) For purposes of determining 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.

Article VII

Due Diligence Procedures applicable to implementation of Special Rules

A. 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. 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 of a Foreign Jurisdiction as described in paragraph A of Article 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 A of Article III.

C. Account Balance Aggregation and Currency Rules are as follows:.

1. 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. 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. 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. All dollar amounts are in patacas (MOP) and shall be read to include equivalent amounts in other currencies.

Article VIII

Definitions

A. Definitions related to “Reporting Financial Institution” are as follows:

1. The term “Participating Jurisdiction Financial Institution” means:

- (i) any 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
- (ii) any branch of a Financial Institution that is not resident in a Participating Jurisdiction, if that branch is located in such Participating Jurisdiction;

2. The term “**Reporting Financial Institution**” means Financial Institutions in the Macao SAR that is not a Non-Reporting Financial Institution, and not limited to those listed in subparagraph E (8).

3. The term “**Financial Institution in Macao SAR**” means:

- (i) any Financial Institution that is resident in the **Macao SAR**, but excludes any branch of that Financial Institution that is located outside the **Macao SAR**, and
- (ii) any branch of a Financial Institution that is not resident in the **Macao SAR**, if that branch is located in the **Macao SAR**.

4. The term “**Financial Institution**” means a Custodial Institution, a Depository Institution, an Investment Entity, or a Specified Insurance Company.

5. The term “**Custodial Institution**” means any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others. An Entity holds Financial Assets for the account of others as a substantial portion of its business if the Entity’s gross income attributable to the holding of Financial Assets and

related financial services equals or exceeds 20% of the Entity's gross income during the shorter of:

- (i) the three-year period that ends on 31 December (or the final day of a non-calendar year accounting period) prior to the year in which the determination is being made; or
- (ii) the period during which the Entity has been in existence.

6. The term “**Depository Institution**” means any Entity that accepts deposits in the ordinary course of a banking or similar business.

7. The term “**Investment Entity**” 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:

i) trading in money market instruments (cheques, bills, certificates of deposit, derivatives, etc.); foreign exchange; exchange, interest rate and index instruments; transferable securities; or commodity futures trading;

ii) individual and collective portfolio management; or

iii) otherwise investing, administering, or managing Financial Assets or money on behalf of other persons; or

b) the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets, if the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or an Investment Entity described in subparagraph A(7)(a).

An Entity is treated as primarily conducting as a business one or more of the activities described in subparagraph A(7)(a), or an Entity's gross income is primarily attributable to investing, reinvesting, or trading in Financial Assets for purposes of subparagraph A(7)(b), 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 because it meets any of the criteria in subparagraphs D(9)(d) through (g). 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.

8. The term “**Financial Asset**” 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, 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.

9. The term “**Specified Insurance Company**” means any 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:

- (i) the gross income of the Entity arising from insurance, reinsurance, and Annuity Contracts for the immediately preceding calendar year exceeds 50% of total gross income for such year; or
- (ii) the aggregate value of the assets of the Entity associated with insurance, reinsurance, and Annuity Contracts during the immediately preceding calendar year exceeds 50% of total assets during such year.

B. Definitions related to “Non-Reporting Financial Institution” are as follows:

1. The term “**Non-Reporting Financial Institution**” means any 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) an Exempt Collective Investment Vehicle;
- d) 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 Article I with respect to all Reportable Accounts of the trust; or
- e) 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 subparagraphs B(1)(a) and (b), 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.

2. The term “**Governmental Entity**” means:

- a)* the government of a jurisdiction;
- b)* any political subdivision of a jurisdiction which includes a state, province, county, or municipality;
- c)* any wholly owned public sector or institution of a jurisdiction or of any one or more of the entities as indicated in sub-paragraph (1) or (2); or
- d)* an integral part of a jurisdiction, controlled entity, and political subdivision of aJurisdiction:

i) 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 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;

ii) A controlled entity means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, provided that:

(a) the Entity is wholly owned and controlled by one or more Governmental Entities directly or through one or more controlled entities;

(b) 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

(c) the Entity’s assets vest in one or more Governmental Entities upon dissolution.

iii) 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.

3. The term “**International Organisation**” means any international organisation or wholly owned agency or instrumentality thereof. This category includes any intergovernmental organisation (including a supranational organisation)

a) that is comprised primarily of governments;

b) that has in effect a headquarters or substantially similar agreement with the Macao SAR; and

c) the income of which does not inure to the benefit of natural persons or entities.

4. The term “**Central Bank**” 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.

5. The term “**Broad Participation Retirement Fund**” 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:

a) does not have a single beneficiary with a right to more than 5% of the fund’s assets;

b) is subject to government regulation and provides information reporting to DSF; and

c) satisfies at least one of the following requirements:

i) 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;

ii) the fund receives at least 50% of its total contributions (other than transfers of assets from other plans described in subparagraphs B(5) through (7) or from retirement and pension accounts described in subparagraph C(17)(a)) from the sponsoring employers;

iii) 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 subparagraphs B(5) through (7) or retirement and pension accounts described in subparagraph C(17)(a)),

or penalties apply to distributions or withdrawals made before such specified events;
or

iv) 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 MOP 400,000 annually, applying the rules set forth in paragraph C of Article VII for account aggregation and currency translation.

6. The term **“Narrow Participation Retirement Fund”** 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:

- a)* the fund has fewer than 50 participants;
- b)* the fund is sponsored by one or more employers that are not Investment Entities or Passive NFEs;
- c)* the employee and employer contributions to the fund (other than transfers of assets from retirement and pension accounts described in subparagraph C(17)(a)) are limited by reference to earned income and compensation of the employee, respectively;
- d)* 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
- e)* the fund is subject to government regulation and provides information reporting to DSF.

7. The term **“Pension Fund of a Governmental Entity, International Organisation or Central Bank”** means a fund established by a Governmental Entity, International Organisation or Central Bank to provide retirement, disability, or death benefits to beneficiaries or participants:

- a)* that are current or former employees (or persons designated by such employees), or
- b)* that 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, International Organisation or Central Bank.

8. The term **“Qualified Credit Card Issuer”** means a Financial Institution satisfying the following requirements:

- a)* 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
- b)* beginning on or before 1 July 2017, the Financial Institution implements policies

and procedures either to prevent a customer from making an overpayment in excess of MOP 400,000, or to ensure that any customer overpayment in excess of MOP 400,000 is refunded to the customer within 60 days, in each case applying the rules set forth in paragraph C of Section VII 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.

9. The term “**Exempt Collective Investment Vehicle**” 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 under subparagraph B(8) as an Exempt Collective Investment Vehicle, solely because the collective investment vehicle has issued physical shares in bearer form, provided that:

- a)* the collective investment vehicle has not issued, and does not issue, any physical shares in bearer form after 1 July 2017;
- b)* the collective investment vehicle retires all such shares upon surrender;
- c)* the collective investment vehicle performs the due diligence procedures set forth in Article 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
- d)* 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 July 2018.

C. Definitions related to “**Financial Account**” are as follows:

1. The term “**Financial Account**” means an account maintained by a Financial Institution, and includes a Depository Account, a Custodial Account and:

- a)* 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
 - (i)* renders investment advice to, and acts on behalf of a customer, or
 - (ii)* 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;

b) 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 Article I; and

c) 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.

2. The term **“Depository Account”** 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.

3. The term **“Custodial Account”** means an account (other than an Insurance Contract or Annuity Contract) that holds one or more Financial Assets for the benefit of another person.

4. The term **“Equity Interest”** 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.

5. The term **“Insurance Contract”** 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.

6. The term **“Annuity Contract”** 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.

7. The term “**Cash Value Insurance Contract**” means an Insurance Contract (other than an indemnity reinsurance contract between two insurance companies) that has a Cash Value.

8. The term “**Cash Value**” means the greater of:

(i) 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

(ii) 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 subparagraph C(8)(b); 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.

9. The term “**Preexisting Account**” means a Financial Account maintained by a Reporting Financial Institution as of 30 June 2017. In the event that all the conditions below are met, the procedures for Preexisting Account are also applicable to New Account opened by account holders on or after 1 July 2017:

a) the Account Holder also holds with the Reporting Financial Institution or with a Related Entity within the Macao SAR a Financial Account that is a Preexisting

Account;

b) the Reporting Financial Institution (or the Related Entity within the Macao SAR as the Reporting Financial Institution) treats New Accounts, and any other Preexisting Financial Accounts of the Account Holder, as a single Financial Account;

c) with respect to a Financial Account that is subject to AML/KYC Procedures, the Reporting Financial Institution is permitted to rely upon the Procedures performed for the Preexisting Account; and

d) 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 purposes of the Common Reporting Standard.

10. The term **“New Account”** means a Financial Account maintained by a Reporting Financial Institution opened on or after 1 July 2017.

11. The term **“Preexisting Individual Account”** means a Preexisting Account held by one or more individuals.

12. The term **“New Individual Account”** means a New Account held by one or more individuals.

13. The term **“Preexisting Entity Account”** means a Preexisting Account held by one or more Entities.

14. The term **“Lower Value Account”** means a Preexisting Individual Account with an aggregate balance or value as of 30 June 2017 that does not exceed MOP 8,000,000.

15. The term **“High Value Account”** means a Preexisting Individual Account with an aggregate balance or value that exceeds MOP 8,000,000 as of 30 June 2017, 31 December 2017 or 31 December of any subsequent year.

16. The term **“New Entity Account”** means a New Account held by one or more Entities.

17. The term **“Excluded Account”** means any of the following accounts which are excluded from the obligations set in this guideline:

a) a retirement or pension account that satisfies the following requirements:

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);

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 a) annual contributions are limited to MOP400,000 or less, or b) there is a maximum lifetime contribution limit to the account of MOP8,000,000 or less, in each case applying the rules set forth in paragraph C of Article VII for account aggregation and currency translation. A Financial Account that otherwise satisfies the requirement of subparagraph C(17)(a)(v) 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 of subparagraph C(17)(a) or (b) or from one or more retirement or pension funds that meet the requirements of any of subparagraphs B(5) through (7).

b) an account that meets the following requirements:

i) the account is subject to the regulations 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 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 investment or savings account (for example, the provision of educational or health benefits), or penalties apply to withdrawals made before such criteria are met; and

iv) annual contributions are limited to MOP 400,000 or less, applying the rules set forth in paragraph C of Article VII for account aggregation and currency translation. A Financial Account that otherwise satisfies the requirement of subparagraph C(17)(b)(iv) 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 of subparagraph C(17)(a) or (b) or from one or more retirement or pension funds that meet the requirements of any of subparagraphs 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 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:

(i) 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;

(ii) 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;

(iii) 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;

(iv) the account is not a margin or similar account established in connection with a sale or exchange of a Financial Asset; and

(v) the account is not associated with an account described in subparagraph C(17)(f).

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:

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 July 2017, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of MOP 400,000, or to ensure that any customer overpayment in excess of MOP 400,000 is refunded to the customer within 60 days, in each case applying the rules set forth in paragraph C of Article 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) "Dormant Account" means:

i) an account with balance of MOP 8000 or less (not annuity contract). If the following requirements are met, the account is treated as excluded account:

a) the Account Holder has not initiated a transaction with regard to the account or any other account held by the Account Holder with the Reporting Financial Institution in the past three years;

b) the Account Holder has not communicated with the Reporting Financial Institution that maintains such account regarding the account or any other account held by the Account Holder with the Reporting Financial Institution in the past six

years; and

c) In the case of a Cash Value Insurance Contract, the Reporting Financial Institution has not communicated with the Account Holder that holds such account regarding the account or any other account held by the Account Holder with the Reporting Financial Institution in the past six years.

ii) Under the following circumstances, an account (other than an annuity contract) with a balance that does not exceed MOP8,000 maintained with a reporting financial institution is also an excluded account if:

- a) in accordance with the laws or regulations applicable to the institution; or under the normal operating procedures of the institution that are consistently applied for all accounts maintained with the institution; and
- b) the laws, regulations or such procedures contain substantially similar requirements to those mentioned in points (a) to (c) of subparagraph C(17)(g)(i).

D. Definitions related to “**Reportable Account**” are as follows:

1. The term “**Reportable Account**” 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 Article II through VII.

2. The term “**Reportable Person**” 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 Financial Institution, or
- (vi) a Central Bank.

3. The term “**Reportable Jurisdiction Person**” 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. The “place of effective management” is the place where key management and commercial decisions

that are necessary for the conduct of the Entity's business as a whole are in substance made.

4. The term **“Reportable Jurisdiction”** means a jurisdiction:

- (i) with which an agreement is in place pursuant to which there is an obligation in place to provide the information specified in Article I, and
- (ii) which is identified in the list published by DSF.

5. The term **“Participating Jurisdiction”** means a jurisdiction

- (i) with which an agreement is in place pursuant to which it will provide the information specified in Article I, and
- (ii) which is identified in the list published by DSF.

6. The term **“Controlling Persons”** means the natural persons who exercise control over an Entity, and it must be interpreted in a manner consistent with the Financial Action Task Force Recommendations:

(i) For an Entity that is a legal person, the term “Controlling Person” means the natural person(s) who exercises control over the Entity. It means any natural person(s) owning or controlling directly or indirectly no less than 25% of the Entity; or any natural person(s) owning or controlling directly or indirectly no less than 25% of the voting right of the Entity ; or any natural person(s) who exercise the ultimate control over the Entity's management; or any natural person(s) who exercise the ultimate effective control over the Entity's decision making. Where no natural person(s) is identified as exercising control of the Entity, the Controlling Person(s) of the Entity will be the natural person(s) who holds the position of senior managing official.

(ii) In the case of a trust, it 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 (including through a chain of control or ownership). Reporting Financial Institutions must identify the Controlling Person(s) of the settlor(s) and report them as Controlling Person(s) of the trust. For beneficiary(ies) of trusts that are designated by characteristics or by class, Reporting Financial Institutions should obtain sufficient information concerning the beneficiary(ies) to satisfy the Reporting Financial Institution that it will be able to establish the identity of the beneficiary(ies) at the time of the pay-out or when the beneficiary(ies) intends to exercise vested rights.

(iii) In the case of a legal arrangement other than a trust, the term “Controlling

Persons” mean persons in equivalent or similar positions as those that are Controlling Persons of a trust. Reporting Financial Institutions should identify and report persons in equivalent or similar positions, as those required to be identified and reported for trusts.

(d) In the case of legal persons that are functionally similar to trusts, the term "Controlling Persons" mean persons in equivalent or similar positions as those that are Controlling Persons of a trust and Reporting Financial Institutions should identify Controlling Persons through similar customer due diligence procedures as those required for trusts.

Where a Reporting Financial Institution relies on information collected and maintained pursuant to AML/KYC Procedures for purposes of determining the Controlling Persons of an Account Holder of a New Entity Account, such AML/KYC Procedures must be consistent with Recommendations 10 and 25 of the FATF Recommendation (as adopted in February 2012), including always treating the settlor(s) of a trust as a Controlling Person of the trust and the founder(s) of a foundation as a Controlling Person of the foundation. For purposes of determining the Controlling Persons of an Account Holder of a Preexisting Entity Account, a Reporting Financial Institution may rely on information collected and maintained pursuant to the Reporting Financial Institution’s AML/KYC Procedures.

7. The term “**NFE**” means any Entity that is not a Financial Institution.

8. The term “**Passive NFE**” means any:

- (i) NFE that is not an Active NFE; or
- (ii) an Investment Entity described in subparagraph A(7)(b) that is not a Participating Jurisdiction Financial Institution.

9. The term “**Active NFE**” 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 is passive income and less than 50% of the assets held by the NFE during the preceding calendar year 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, or an Entity wholly owned by one or more of the foregoing;

d) 80% or above of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;

e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, provided that the NFE does not qualify for this exception after the date that is 24 months after the date of the initial organisation of the NFE;

f) the NFE was not a Financial Institution in the past five years, and is in the process of liquidating its assets or is reorganising with the intent to continue or recommence operations in a business other than that of a Financial Institution;

g) the NFE primarily engages in financing and hedging transactions with, or for, Related Entities that are not Financial Institutions, and does not provide financing or hedging services to any Entity that is not a Related Entity, provided that the group of any such Related Entities is primarily engaged in a business other than that of a Financial Institution; or

h) the NFE meets all of the following requirements:

i) it is established and operated in its 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 organisation 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 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.

10. "Passive income" means the portion of gross income that consists of:

- a)* dividends;
- b)* interest;
- c)* income equivalent to interest;
- d)* rents and royalties, other than rents and royalties derived in the active conduct of a business conducted, at least in part, by employees of the NFE;
- e)* annuities;
- f)* the excess of gains over losses from the sale or exchange of Financial Assets that gives rise to the passive income described in any of the subparagraphs a), b), c), d) and e);
- g)* the excess of gains over losses from transactions (including futures, forwards, options, and similar transactions) in any Financial Assets;
- h)* the excess of foreign currency gains over foreign currency losses;
- i)* net income from swaps; or
- j)* amounts received under Cash Value Insurance Contracts.

E. Other definitions are as follows:

1. The term "**Account Holder**" 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.

2. The term “**AML/KYC Procedures**” 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.

3. The term “**Entity**” means a legal person or a legal arrangement, such as a corporation, partnership, trust, or foundation.

4. 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.

5. The term “**TIN**” means Taxpayer Identification Number (or functional equivalent in the absence of a Taxpayer Identification Number).

6. The term “**Documentary Evidence**” 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 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 organised.

d) any audited financial statement, third-party credit report, bankruptcy filing, or securities regulator's report.

7. The term “**Jurisdiction of residence**” means the jurisdiction of tax resident.

8. “**Reporting Financial Institutions**” include, among others:

- a) Bank;
- b) Financial intermediary companies;
- c) Investment funds and investment fund management companies;
- d) Life Insurance Companies;
- e) Finance companies;
- f) Management company established for managing pension fund; or
- g) Pension funds not conforming with subparagraphs B(5), (6) and (7) of Article VIII.

Article VIII-A

Application of Time

The institutions referred to in subparagraphs E(8) f), g) and h) of Article VIII should refer to the time applicable in the following table when implementing the procedures:

Article	Time referred in article	Time applicable
Subparagraphs A(5), (6) & (7) of Article I	1 July 2017 to 31 December 2017	1 January to 31 December 2022
Subparagraphs F & G of Article I ; Subparagraph B(6) & paragraph C of Article III; Paragraphs A, B & D of Article V and Subparagraphs B(8)(b), (9)(a) & (d), C(9), (10), (14) and C(17)(f)(ii) of Article VIII	2018	2023
	2019	2024
	1 July 2017	1 January 2022
	30 June 2017	31 December 2021
	31 December 2017	31 December 2022
	30 June 2018	31 December 2022
	1 July 2018	1 January 2023
	30 June 2019	31 December 2023

Subparagraph C(15) of Article VIII	30 June 2017, 31 December 2017	31 December 2021
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Article IX

Commentaries applicable for Implementation Practice

A. “Closed Accounts”: In the case of an account closure, the Reporting Financial Institution has no obligation to report the account balance or value before or at closure, but must report that the account was closed and the amount paid to the account between the reporting period and the closure of the account. In determining when an account is “closed”, reference must be made to the normal operating procedures of the Reporting Financial Institution that are consistently applied for all accounts maintained by such institution. For example, accounts in a Financial Institution would generally be considered to be closed upon termination, transfer, surrender, redemption, cancellation, or liquidation. An account with a balance or value equal to zero or that is negative will not be a closed account solely by reason of such balance or value.

B. “Reasonable efforts” means genuine attempts by Reporting Financial Institutions to acquire the TIN and date of birth of the Account Holder. Such efforts must be made, at least once a year, during the period between the identification of the Preexisting Account as a Reportable Account and the end of the second calendar year following the year of that identification. Examples of reasonable efforts include contacting the Account Holder (e.g. by mail, in-person or by phone), including a request made as part of other documentation or electronically (e.g. by facsimile or by e-mail); and reviewing electronically searchable information maintained by a Related Entity of the Reporting Financial Institution, in accordance with the aggregation principles set forth in paragraph C of Article VII. However, reasonable efforts do not necessarily require closing, blocking, or transferring the account, nor conditioning or otherwise limiting its use. Notwithstanding the foregoing, reasonable efforts may continue to be made after the abovementioned period.

C. A “relationship manager” is an employee of a Reporting Financial Institution who is assigned responsibility for specific account holders on an on-going basis (including as an officer or employee that is a member of a Reporting Financial Institution’s private banking department), advises account holders regarding their banking, investment, trust, fiduciary, estate planning, or philanthropic needs, and recommends, makes referrals to, or arranges for the provision of financial products, services, or other assistance by internal or external providers to meet those needs. If an employee

whose functions do not involve direct client contact or which are of a back office, administrative or clerical nature is not considered a relationship manager. A person is only a relationship manager as referred in paragraph (C)(3) of Article VII with respect to an account that has an aggregate balance or value of more than MOP 8,000,000

D. “Self-certification”: The self-certification may be provided in any manner and in any form (e.g. electronically, such as portable document format (.pdf) or scanned documents). If the self-certification is provided electronically, the electronic system must ensure that the information received is the information sent, and must document all occasions of user access that result in the submission, renewal, or modification of a self-certification. In addition, the design and operation of the electronic system, including access procedures, must ensure that the person accessing the system and furnishing the self-certification is the person named in the self-certification, and must be capable of providing upon request a hard copy of all self-certifications provided electronically. Where the information is provided as part of the account opening documentation, it does not need to be on any one specific page of the documentation or any specific form, provided that it is complete.

E. “Reasonableness of self-certification”: A Reporting Financial Institution is considered to have confirmed the “reasonableness” of a self-certification if, in the course of account opening procedures and upon review of the information obtained in connection with the opening of the account (including any documentation collected pursuant to AML/KYC Procedures), it does not know or have reason to know that the self-certification is incorrect or unreliable. Reporting Financial Institutions are not expected to carry out an independent legal analysis of relevant tax laws to confirm the reasonableness of a self-certification.

F. “Reliability of Documentary Evidence”: A Reporting Financial Institution may not rely on Documentary Evidence provided by a person if the Documentary Evidence does not reasonably establish the identity of the person presenting the Documentary Evidence. For example, Documentary Evidence is not reliable if it is provided in person by an individual and the photograph or signature on the Documentary Evidence does not match the appearance or signature of the person presenting the document. A Reporting Financial Institution may not rely on Documentary Evidence if the Documentary Evidence contains information that is inconsistent with the person’s claim as to its status, the Reporting Financial Institution has other account information that is inconsistent with the person’s status, or the Documentary Evidence lacks information necessary to establish the person’s status.

G. “Wider approach”: Identifying accounts by “wider approach” means that when Financial Institutions identify an account holder as foreign tax resident, regardless of whether such jurisdiction has signed with the Macao SAR any agreement with automatic exchange of information provision, Financial Institution will collect the information of account holder who are tax resident of such foreign jurisdiction. In future, when the Macao SAR sign with such jurisdiction tax agreement with automatic exchange of information provision, Financial Institution can deliver information to DSF without conducting due diligence procedures to the pre-existing accounts once again.

H. "Financial Action Task Force Recommendations": refers to the International Standards on Combating Money Laundering and the Financing of Terrorism & Proliferation - the Recommendations adopted by the Financial Action Task Force Plenary in February 2012.

I. “Comments applicable to other practical implementation practice”: In case of any doubts or difficulties arising from the interpretation while implementing the due diligence procedures, Reporting Financial Institution shall apply the Commentaries and related implementation manual of “Common Reporting Standard on Reporting and Due Diligence for Financial Account Information” published by the Organization for Economic Co-operation and Development (OECD).