

Information brochure regarding the International Automatic Exchange of Information in Tax Matters (AEOI)

To help fight against tax evasion and protect the integrity of tax systems, numerous governments around the world have introduced a global standard for the automatic exchange of financial account information in tax matters. This global standard is known as the Common Reporting Standard ("the CRS") and was developed by the Organization for Economic Co-operation and Development (OECD). The objective of the CRS is to identify clients holding assets in financial institutions outside their country of Tax Residence and to provide information in relation to such accounts to the relevant tax authorities.

1. How is the CRS implemented between the participating countries and which countries are exchanging information with Switzerland?

The CRS is implemented **on a country-by-country basis**, whereby each country is able to decide whether it will implement the CRS, the timeline over which it will do so, and with which other countries it will exchange information. The Swiss legislation implementing the CRS includes the Swiss Federal Act on the Automatic Exchange of Information in Tax Matters ("Swiss AEOI Act", in force since January 1, 2017) and the specific international agreements between Switzerland and its partner jurisdictions on the exchange of information.

The list of partner jurisdictions which exchange information with Switzerland (Reportable Jurisdiction) can be found at <https://www.sif.admin.ch/en/automatic-exchange-information-aeoi> where it is kept up to date at all times. Consideration that Switzerland is still signing agreements with additional partner jurisdictions, we highly recommend you to consult the mentioned link at the date of receipt of this information brochure in order to verify whether your country of Tax Residence is exchanging information in tax matters with Switzerland. Furthermore, you should regularly access the above-mentioned link in order to remain informed about any additions or changes in the future. BBVA SA will not inform you automatically about any amendments.

2. How does the Swiss AEOI Act affect my account at BBVA SA?

According to the Swiss AEOI Act, BBVA SA, as a reporting Swiss financial institution, is required to identify all individual and entity clients (incl. the controlling persons of certain entity clients) in order to verify if they are resident for tax purposes in a partner jurisdiction. **Nevertheless, BBVA SA will only effectively report data of clients/controlling persons which are resident of a partner jurisdiction (Reportable Person).**

If, based on the documentation, BBVA SA considers that either the Account Holder and/or (if applicable) one or more of the controlling persons of certain entities are tax resident in a partner jurisdiction, BBVA SA may be required to annually report to the Swiss Federal Tax Administration (SFTA) certain personal data of the Account Holder/beneficial owner/controlling person as well as further account information. **Personal data includes name, date of birth, address, country of Tax Residence and Taxpayer Identification Number of the Reportable Persons. Account information will include the account number, the total gross amount of dividends, interest and other income, the total gross proceeds from the sale or redemption of financial assets, and the aggregate balance or value of the account at the end of each calendar year (Reportable Account).** Moreover, the name and Taxpayer Identification Number of BBVA SA will be reported. **The SFTA will subsequently share this information with the relevant tax authorities.**

3. How will the exchanged data be used?

Generally, the information exchanged may only be made available to tax authorities of a partner jurisdiction in which the reportable person is resident and may only be used for tax purposes. In principle, it is prohibited for the receiving partner jurisdiction to forward the received information to another jurisdiction, and it must treat the information as confidential. Generally, the receiving partner jurisdiction may only make the information exchanged available to persons and authorities responsible for handling or supervising taxation in that country.

4. What are your rights under the Swiss AEOI Act?

Should you be affected by a report now or in the future, you will have the following rights under the Swiss AEOI Act and the Federal Act on Data Protection (FADP):

- Vis-à-vis BBVA SA, you are entitled to the full extent of legal protection offered by the FADP. In particular, you have the right to request what information has been collected about you and will be reported to the SFTA. BBVA SA must provide you with a copy of its report to the SFTA on request. In this regard, it must be noted that the information about you that is collected and reported may differ from your tax-relevant information. Moreover, you are also entitled to request that incorrect data in BBVA SA systems be corrected.
- Vis-à-vis the SFTA, you have the right to access information. You are entitled to request that incorrect data resulting from errors in the exchange process be corrected.

If the information to be exchanged would result in disadvantages for you that are not permissible due to a lack of constitutional guarantees, your rights are set out in Article 25a of the Federal Act on Administrative Procedure.

You do not have the right to access SFTA records. This means that you do not have the right to block the disclosure of personal details vis-à-vis the SFTA. In addition, you are not entitled to have the legality of forwarding information outside Switzerland reviewed or to block any illegal forwarding and/or to demand the destruction of data processed without a sufficient legal basis.

5. Which documents do I have to provide?

BBVA SA kindly asks you to provide a self-certification and, if applicable, the additional documents in order to obtain from you the necessary details for the establishment of your Tax Residence. If you have any doubts regarding your tax residency, please refer to the **rules governing Tax Residence** that have been published by each national tax authority. If you have any specific questions regarding your tax residency, please contact a professional tax adviser, as BBVA SA is unable to provide tax advice.

If, in your capacity as a contracting partner of BBVA SA, you are not the Account Holder for the purposes of AEOI, or if you are an entity for which BBVA SA is required to identify and report one or more controlling persons, we ask you to forward copies of this information brochure to all of the relevant persons.

For more information, you can visit the OECD Automatic Exchange of Information Portal:

<https://web-archiv.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/index.htm>

You will also find helpful information at the Swiss Bankers Association webpage:

<https://www.swissbanking.ch/en/topics/tax/automatic-exchange-of-information-aeoi#:~:text=AEOI%20is%20an%20international%20standard.ensure%20tax%20transparency%20between%20countries>

Glossary

Account Holder

The Account Holder is 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 of another person as an agent, a custodian, a nominee, a signatory, an investment advisor, an intermediary, or as a legal guardian, is not treated as the Account Holder, and such other person is treated as holding the account. In the case of a banking relationship of a trust, the trust is the Account Holder and not the trustee. With respect to a jointly held account, each joint holder is treated as an Account Holder.

Controlling Person(s)

"Controlling Person(s)" is/are the natural person(s) who exercise control over an entity. In the case of a trust, the Controlling Person(s) are the settlor(s), the trustee(s), the protector(s) (if any), the beneficiary(ies) or class(es) of beneficiaries, or any other natural person(s) exercising ultimate effective control over the trust (including through a chain of control or ownership). Under the CRS the settlor(s), trustee(s), the protector(s) (if any), and the beneficiary(ies) or class(es) of beneficiaries, are always treated as Controlling Persons of a trust, regardless of whether or not any of them exercises control over the activities of the trust. Where the settlor(s) of a trust is an Entity then the CRS requires Financial Institutions to also identify the Controlling Persons of the settlor(s) and when required report them as Controlling Persons of the trust. In the case of a legal arrangement other than a trust, "Controlling Person(s)" means persons in equivalent or similar positions.

The term "Controlling Person" must be interpreted in a manner consistent with the Swiss implementation of the Financial Action Task Force Recommendations, i.e. for banking relationships in Switzerland the "Agreement on the Swiss banks' code of conduct with regard to the exercise of due diligence" (CDB 20).

Reportable Account

The term Reportable Account means an account held by one or more Reportable Persons or by a passive NFE (or a professionally managed investment entity in a non-participation jurisdiction) with one or more Controlling Persons that is a Reportable Person, provided it has been identified as such pursuant to the applicable Swiss AEOI Act/CRS due diligence procedures.

Reportable Person

The term Reportable Person means a person that is resident for tax purposes in a Reportable Jurisdiction under the tax laws of such jurisdiction 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.

Reportable Jurisdiction

The term Reportable Jurisdiction means a country/jurisdiction with which Switzerland has an agreement in place pursuant to which Switzerland is obliged to provide the information about the residents of that country/jurisdiction and their accounts (Reportable Accounts), and which is identified in the following list:

<https://www.sif.admin.ch/en/automatic-exchange-information-aeoi>

Tax Residence

Generally, an individual is resident for tax purposes in a country/jurisdiction if, under the laws of that country/jurisdiction (including tax conventions), he/she pays or should be paying tax therein by reason of his/her domicile, residence, or any other criterion of a similar nature (i.e. full tax liability), and not only from sources in that jurisdiction. Individuals who are tax residents in two or more jurisdictions must disclose all Tax Residencies on the self-certification form.

Taxpayer Identification Number or TIN (including "functional equivalent")

The term Taxpayer Identification Number or a functional equivalent is a unique combination of letters or numbers assigned by a jurisdiction to an individual or an entity and used to identify the individual or entity for the purposes of administering the tax laws of such jurisdiction. Further details of acceptable Taxpayer Identification Numbers can be found at the OECD automatic exchange of information portal: <https://web.archive.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/index.htm>.

Some jurisdictions do not issue a Taxpayer Identification Number. However, these jurisdictions often utilize some other high integrity number with an equivalent level of identification (a "functional equivalent"). Examples of that type of number include, for entities, a business/company registration code/number.