

INFORMATION OF INTEREST FORMS OF SELF-CERTIFICATION CRS

This document does not constitute tax advice

Common Reporting Standard (CRS, for its acronym in English) was initiated by the Organization for Economic Co-operation and Development (OECD), to foster greater fiscal cooperation, increase transparency and improve communication. World governments have generally adopted both initiatives, which require financial institutions to document the fiscal situation of customers and, if necessary, to report information to the relevant tax authorities.

What is CRS?

Common Reporting Standard (CRS) is the global reporting standard for automatic exchange of information on financial accounts (AEOI, for its acronym in English) produced by the OECD. CRS contains a set of standards for financial institutions to identify persons subject to reporting and inform the respective authorities in their jurisdictions. Subsequently, the relevant information is automatically exchanged between participating jurisdictions annually.

The standard states:

1. The information to be exchanged on financial accounts.
2. Financial institutions are required to report the information.
3. Different types of accounts and affected taxpayers.
4. Common procedures of due diligence.

CRS who is affected?

CRS affects individuals and entities (including trusts) that maintain accounts subject to reporting in financial institutions located in participating jurisdictions¹. Certain types of entities that are located in non-participating jurisdictions controlling persons subject to reporting² may be required to report certain information to financial institutions located in participating to have business with these institutions jurisdictions.

What are the territories that are participating in CRS?

For a complete list of the territories participating in the CRS, along with the dates to be started with the exchange of information, please see OECD portal (<http://www.oecd.org/tax/automatic-exchange/>).

Why do we ask for the jurisdiction (s) of tax residence?

Under the CRS regulation, tax authorities have, financial institutions, the obligation to collect and report certain information regarding the tax status of their customers.

If you hire a new account, invest in new financial products or change your data in any way, the Bank will request certification of your information. This process is called "self-certification" and thus Produbanco is required to collect this information under the CRS disposal.

What financial institutions are required to comply with CRS?

All financial institutions CRS participating countries are required to comply with the reports.

¹Jurisdictions that have an agreement with other jurisdictions subject to reporting on the automatic exchange of information on financial accounts and are committed to implement the CRS locally and exchange information.

²Individuals who exercise ultimate control over an entity. In the case of a trust, the term refers to or settlers, trustees, case (if any), beneficiaries or classes of recipients. In the case of a legal agreement that is not a trust, the term refers to persons who perform equivalent or similar positions.

How will my tax residence defined?

This will depend on where you live and your circumstances. Please contact a tax advisor or local tax authority for more information on determining your tax. As a financial institution we are not allowed to give tax advice.

I requested information on these forms is similar to FATCA, why is this different?

Although information has been provided under the Foreign Account Tax Compliance Act the Government of the United States (FATCA), you may need to provide additional information for the CRS, as these are different regulations with different requirements.

FATCA is a US law that requires financial institutions to identify customers who are US Persons and are reported. FATCA is based on citizenship of the taxpayer. CRS, however, requires financial institutions to identify the country of tax residence of their customers and report certain information from customers whose territory of residence for tax purposes is different from the territory in which they have based their accounts.

¿I live in the same territory as tax payment why should I give this information?

Under the provision of CRS, the Bank is legally obliged to establish tax residency status of all clients, even if you are tax resident in the same country that holds your account.

How often you should provide this information?

Once the Bank collect information using the form "Self-Certification" only you will be required to complete another form in case you update certain information involving a change in its tax status against CRS.

Why do we require supporting documentation?

The Bank is required by law to verify the information you have provided as part of its Self-Certification. As part of that verification, the Bank may at any time document proving your identity or any other evidence of their tax residence declared its Self- Certification form.

In accordance with CRS, ¿what information will be provided by the Bank to the Fiscal Authority?

It will only be provided to the Authority, the information that the client indicates on self-certification forms.

The Bank is obliged to report their tax data in accordance with the legal requirements of the countries participating in the CRS regulation.

What information can be exchanged?

The exchanged information corresponding to a specific period of reporting, from a subject to report jurisdiction to another jurisdiction includes:

1. Name, address, jurisdiction of residence, Tax Identification Number (TIN initials) and date and place of birth of each of the account holders.
2. For an entity that has been identified as having one or more subject to reporting controlling person, the name, address, and TIN of the entity and the name, address, TIN and date and place of birth of each of the persons subject to report.
3. Determined by other competent legal authority.

Since when information is exchanged?

As of October 1, 2019.

Does the Bank shall respect the privacy of my information?

The Bank will only share the information required by legal mandate to the tax authority or legally competent, as we are legally obliged to do so.

The customer information is protected by strict adherence to secrecy and certain reserves in the current legal standard, and other applicable legal provisions on confidentiality of information to which the Bank is required. The Bank will only disclose such information to the relevant tax authorities (provided it does not contradict local laws).

Where I can find more information and advice?

For more information and advice, please contact your tax advisor or the local tax authority. You can also find more details of this arrangement:

- CRS, OECD (<http://www.oecd.org/tax/automatic-exchange/>)
- SRI - Ecuador Internal Revenue Service (www.sri.gob.ec)