

TABLE OF REGULATIONS

PART I

PRELIMINARY

1. Citation
2. Commencement
3. Definitions

PART II

INFORMATION TO BE OBTAINED AND RETURNS TO BE FILED

4. Information about Reportable Accounts to be obtained
5. Return to be filed with Competent Authority

PART III

DUE DILIGENCE FOR INDIVIDUAL ACCOUNTS

7. Definitions
8. Exempted Individual Accounts
9. Indicia for Individual Accounts
10. Electronic Record Search
11. Residence Address
12. Electronic record search for Preexisting Individual High Value Accounts
13. Paper Record Search
14. Relationship Manager Inquiry for Actual Knowledge
15. Effect of Finding Indicia
16. Exemptions to effect of finding indicia
17. Deadline for review of Preexisting Individual Accounts
18. New Individual Accounts
19. Change in circumstances after self-certification

SRO. 30 Mutual Exchange of Information on Taxation Matters 2017
(Common Reporting Standard) Regulations

20. Alternative Procedures for Financial Accounts Held by Individual Beneficiaries of a Cash Value Insurance Contract or an Annuity Contract
21. Aggregation of Individual Accounts
22. Special Aggregation Rule Applicable to Relationship Managers

PART IV

DUE DILIGENCE FOR ENTITY ACCOUNTS

23. Definitions
24. Exempted Entity Accounts
25. Determine whether Preexisting Entity is Reportable Person
26. Determine the Residence of the Controlling Persons of a Passive NFE
27. Change of circumstances
28. Deadline for Review of Preexisting Entity Accounts
29. New Entity Accounts
30. Aggregation of Entity Accounts

PART V

MISCELLANEOUS PROVISION

31. Date for determination of balances and values
32. Reliance on Self-Certifications and Documentary Evidence

SCHEDULE I – PARTICIPATING JURISDICTIONS

SCHEDULE II – NON-REPORTING GRENADA FINANCIAL INSTITUTIONS

SCHEDULE III – EXCLUDED ACCOUNTS

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

GRENADA

STATUTORY RULES AND ORDERS NO. 30 OF 2017

THE MINISTER IN EXERCISE OF THE POWERS CONFERRED ON HIM BY SECTION 21 OF THE MUTUAL EXCHANGE OF INFORMATION ON TAXATION MATTERS ACT, CAP. 20:2D HEREBY MAKES THE FOLLOWING REGULATIONS—

(Gazetted 13th October, 2017).

PART I

PRELIMINARY

1. Citation. These Regulations may be cited as the

MUTUAL EXCHANGE OF INFORMATION ON TAXATION MATTERS
(COMMON REPORTING STANDARD) REGULATIONS, 2017.

2. Commencement. These Regulations shall come into force on the 13th day of October, 2017.

3. Definitions.—(1) In these Regulations—

“Account Holder”—

- (a) means the person listed or identified as the holder of a Financial Account by the Financial Institution that maintains the account;
- (b) in the case of 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, excludes the first-named person and means the second-named person; and
- (c) in the case of a Cash Value Insurance Contract or an Annuity Contract—
 - (i) means any person entitled to access the Cash Value or change the beneficiary of the contract; or
 - (ii) if no person can access the Cash Value or change the beneficiary, means any person named as the owner in the contract and any person with a vested entitlement to payment under the terms of the contract;
 - (iii) means any person entitled to receive a payment under the contract upon the maturity of a Cash Value Insurance Contract or an Annuity Contract;

“Act” means the Mutual Exchange of Information on Taxation Matters Act, Chapter 202D;

“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 or other appropriate reporting period is passive income and less than 50% of the assets held by the NFE during the preceding calendar year or other appropriate reporting period are assets that produce or are held for the production of passive income;
- (b) the stock of the NFE is regularly traded on an established securities market or the NFE is a Related Entity of an Entity the stock of which is regularly traded on an established securities market;
- (c) the NFE is a Governmental Entity, an International Organisation, a Central Bank, or an Entity wholly owned by one or more of the foregoing;
- (d) substantially all of the activities of the NFE consist of holding (in whole or in part) the outstanding stock of, or providing financing and services to, one or more subsidiaries that engage in trades or businesses other than the business of a Financial Institution, except that an Entity does not qualify for this status if the Entity functions (or holds itself out) as an investment fund, such as a private equity fund, venture capital fund, leveraged buyout fund, or any investment vehicle whose purpose is to acquire or fund companies and then hold interests in those companies as capital assets for investment purposes;
- (e) the NFE is not yet operating a business and has no prior operating history, but is investing capital into assets with the intent to operate a business other than that of a Financial Institution, if 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, if 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;

“Agreement” means the Multilateral Competent Authority Agreement On Automatic Exchange of Financial Account Information signed by the Government of Grenada on 29th October 2015 and set out as the Third Schedule to the Act, as amended from time to time, for the purposes of the Convention on Mutual Administrative Assistance in Tax Matters, which provides for the exchange of information on an automatic basis as described in the Standard;

“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 the Reporting Financial Institution is subject;

“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, and 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;

“Cash Value” means the greater of—

- (a) 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
- (b) the amount the policyholder can borrow under or with regard to the contract,

but excludes an amount payable under an Insurance Contract—
- (c) solely by reason of the death of an individual insured under a life insurance contract;
- (d) 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;
- (e) 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)

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

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;

- (f) as a policyholder dividend, other than a termination dividend, if the dividend relates to an Insurance Contract under which the only benefits payable are described in paragraph (d); or
- (g) 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;

“Cash Value Insurance Contract” means an Insurance Contract that has a Cash Value and excludes an indemnity reinsurance contract between two insurance companies;

“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, and includes an instrumentality that is separate from the government of the jurisdiction, whether or not owned in whole or in part by the jurisdiction;

“controlled entity”, in the case of a jurisdiction, means an Entity that is separate in form from the jurisdiction or that otherwise constitutes a separate juridical entity, if—

- (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;

“Controlling Persons” means the natural persons who exercise control over an Entity, and—

SRO. 30 Mutual Exchange of Information on Taxation Matters 2017
(Common Reporting Standard) Regulations

- (a) in the case of a trust, such term means the settlor, the trustee, the protector (if any), the beneficiary or class of beneficiaries, and any other natural person exercising ultimate effective control over the trust;
- (b) in the case of a legal arrangement other than a trust, such term means persons in equivalent or similar positions,

and shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations;

“Custodial Account” means an account that holds one or more Financial Assets for the benefit of another person and excludes an Insurance Contract or Annuity Contract;

“Custodial Institution” means any Entity with a gross income attributable to the holding of Financial Assets for the account of others and related financial services that equals or exceeds 20% of the Entity’s gross income during the shorter of—

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

“Depository Account” includes—

- (a) any commercial, checking, savings, time, or thrift account;
- (b) 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; and
- (c) an amount held by an insurance company pursuant to a guaranteed investment contract or similar agreement to pay or credit interest thereon;

“Depository Institution” means any Entity that accepts deposits in the ordinary course of a banking or similar business;

- (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;

“Equity Interest” means—

- (a) in the case of a partnership that is a Financial Institution, either a capital or profits interest in the partnership;
- (b) 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, and a Reportable Person shall 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;

“Excluded Account” means an account excluded from the definition of “Financial Account”, as specified under Schedule III;

“Financial Asset” includes—

- (a) 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);
- (b) a 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);
- (c) an 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,

and excludes a non-debt, direct interest in real property;

“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, excluding 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; 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 paragraph (a), any equity or debt interest in the Financial Institution, if the class of interests was established with a purpose of avoiding reporting in accordance with Section I; and
- (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

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

individual and monetises a pension or disability benefit provided under an account that is an Excluded Account,

and excludes any account that is an Excluded Account;

“Financial Institution” means—

- (a) a Custodial Institution;
- (b) a Depository Institution;
- (c) an Investment Entity; or
- (d) a Specified Insurance Company;

“Foreign Jurisdiction” means a jurisdiction other than the State of Grenada and the United States of America;

“Governmental Entity” means—

- (a) the government of a jurisdiction;
- (b) any political subdivision of a jurisdiction, including a state, province, county, or municipality;
- (c) any integral part of a jurisdiction;
- (d) any controlled entity of a jurisdiction; or
- (e) any wholly owned agency or instrumentality of a jurisdiction or of an entity under paragraph (a), (b) or (c);

“Insurance Contract” means a 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, and excludes an Annuity Contract;

“integral part”, in the case of a jurisdiction—

- (a) means any person, organisation, agency, bureau, fund, instrumentality, or other body, however designated, that constitutes a governing authority of a jurisdiction, if its net earnings are credited to its own

account or to other accounts of the jurisdiction, with no portion inuring to the benefit of any private person; and

- (b) excludes any individual who is a sovereign, official, or administrator acting in a private or personal capacity;

“International Organisation” means any international organisation or wholly owned agency or instrumentality thereof, and includes any intergovernmental organisation, including a supranational organisation, if the organisation—

- (a) is comprised primarily of governments;
- (b) has in effect a headquarters or substantially similar agreement with the jurisdiction; and
- (c) the income of which does not inure to the benefit of private persons;

“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 paragraph (a),

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 the three-year period ending on

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

31st December of the year preceding the year in which the determination is made or the period during which the Entity has been in existence, and excludes an Entity that is an Active NFE because it meets any of the criteria in paragraphs (d) to (g) of the definition of “Active NFE”, and shall be interpreted in a manner consistent with the Financial Action Task Force Recommendations;

“NFE” means any Entity that is not a Financial Institution;

“Non-Reporting Financial Institution” means a Financial Institution described under Schedule II;

“Participating Jurisdiction” means a jurisdiction specified in Schedule I;

“Participating Jurisdiction Financial Institution” means—

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

“Passive NFE” means any—

- (a) NFE that is not an Active NFE; or
- (b) an Investment Entity described in paragraph (b) of the definition of “Investment Entity” that is not a Participating Jurisdiction Financial Institution;

“Related Entity”, in relation to another Entity, means an Entity that—

- (a) is in control of the other Entity;
- (b) is under common control with the other Entity,

and, for this purpose, control includes direct or indirect ownership of more than 50% of the vote and value in an Entity;

“Reportable Account” means a Financial Account that is maintained by a Reporting Financial Institution and that, pursuant to due diligence procedures under these Regulations, has been identified as an account that is held by one or more persons that are Reportable Persons or by a Passive NFE with one or more Controlling Persons that are Reportable Persons;

“Reportable Person” means a Reportable Jurisdiction Person other than—

- (a) a corporation the stock of which is regularly traded on one or more established securities markets;
- (b) any corporation that is a Related Entity of a corporation described in paragraph (a);
- (c) a Governmental Entity;
- (d) an International Organisation;
- (e) a Central Bank; or
- (f) a Financial Institution;

“Reportable Jurisdiction Person” means an individual or Entity that is resident in a Foreign Jurisdiction under the tax laws of the jurisdiction, or an estate of a decedent that was a resident of a Foreign Jurisdiction, and in the case of an Entity that has no residence for tax purposes, such as a partnership, limited liability partnership or similar legal arrangement, the jurisdiction that is relevant is that in which its place of effective management is situated;

“Reporting Financial Institution” means any Financial Institution that is resident in Grenada and excludes a Non-Reporting Financial Institution;

“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;

“TIN” means Taxpayer Identification Number or a functional equivalent in the absence of a Taxpayer Identification Number.

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

(2) For the purposes of the definition of “International Organisation”–

- (a) income does not inure to the benefit of private persons if the 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; and
- (b) income inures 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.

PART II

INFORMATION TO BE OBTAINED AND RETURNS TO BE FILED

4. Information about Reportable Accounts to be obtained.—(1) In respect of every calendar year, a Reporting Financial Institution shall obtain, with respect to every Reportable Account, the following–

- (a) in the case of an Individual Account, the name, address, TIN and date of birth of each Reportable Person that is an Account Holder;
- (b) in the case of an Entity Account, the name, address and TIN of each Reportable Person that is an Account Holder and, where there is one or more Controlling Persons, the name, address and TIN of each Controlling Person that is an Entity and the name, address, TIN of each and date of birth of each Controlling Person that is an individual and a Reportable Person;
- (c) the account number, or functional equivalent in the absence of an account number;
- (d) the account balance or value (including, in the case of a Cash Value Insurance Contract or Annuity Contract, the Cash Value or surrender value) as of the end of the relevant calendar year or, if the account was closed during such year, immediately before closure;
- (e) in the case of any Custodial Account–

- (i) the total gross amount of interest, the total gross amount of dividends, and the total gross amount of other income generated with respect to the assets held in the account, in each case paid or credited to the account (or with respect to the account) during the calendar year or other appropriate reporting period; and
 - (ii) the total gross proceeds from the sale or redemption of Financial Assets paid or credited to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution acted as a custodian, broker, nominee, or otherwise as an agent for the Account Holder;
- (f) in the case of any Depository Account, the total gross amount of interest paid or credited to the account during the calendar year or other appropriate reporting period; and
- (g) in the case of any Financial Account not described in paragraph (e) or (f), the total gross amount paid or credited to the Account Holder with respect to the account during the calendar year or other appropriate reporting period with respect to which the Reporting Financial Institution is the obligor or debtor, including the aggregate amount of any redemption payments made to the Account Holder during the calendar year or other appropriate reporting period.

(2) Notwithstanding subregulation (1) (a), with respect to the information with respect to a Preexisting Individual Account with respect to the calendar year of 2016, where a Reporting Financial Institution has no information as to the TIN of any relevant person, it shall be sufficient that the Reporting Financial Institution submit the date of birth of the relevant person, if the Reporting Financial Institution has record of the date of birth.

5. Return to be filed with Competent Authority.—(1) In respect of the first reporting year as specified in the Agreement and every following calendar year, every Reporting Financial Institution shall, in respect of every Reportable Account maintained by it, make a return reporting on the information obtained under regulation 4 (1) and setting out the following information—

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

- (a) the name of the Reporting Financial Institution;
- (b) the address of the registered office of the Reporting Financial Institution;
- (c) the G.I.I.N.; and
- (d) any other prescribed information.

(2) Where in a calendar year a Reporting Financial Institution does not have any Reportable Account in respect of a Foreign Jurisdiction, the Reporting Financial Institution shall prepare and submit to the Competent Authority a nil return for that calendar year that includes—

- (a) the name of the Reporting Financial Institution;
- (b) the address of the registered office of the Reporting Financial Institution;
- (c) the G.I.I.N.; and
- (d) any other prescribed information.

(3) A return under subregulation (1) or (2) shall be made to the Competent Authority in accordance with subregulation (6), on or before 30th June of the year following the calendar year to which the return relates.

(4) Notwithstanding subregulation (3), in the case of an Account subject to regulation 17 (1), a return under subregulation (1) or (2) shall be made to the Competent Authority in accordance with subregulation (6), on or before 30th June, 2018.

(5) Notwithstanding subregulation (3), in the case of an Account subject to regulation 17 (2) or regulation 27 (1), a return under subregulation (1) or (2) shall be made to the Competent Authority in accordance with subregulation (6), on or before 30th June, 2019.

(6) A return under subregulation (1) or (2) shall be made to the Competent Authority, through an electronic platform as the Competent Authority may designate.

PART III**DUE DILIGENCE FOR INDIVIDUAL ACCOUNTS****7. Definitions.**—(1) In these Regulations—

“Individual Account” means a Financial Account held by one or more individuals;

“New Individual Account” means an Individual Account opened after 31st December, 2016;

“Preexisting Individual Account” means an Individual Account opened on or before 31st December, 2016.

(2) In these Regulations, a Preexisting Individual Account is a “High Value Account” if the aggregate balance or value exceeds U.S. \$1,000,000 as of 31st December, 2016 or 31st December of any subsequent year.

(3) In these Regulations, a Preexisting Individual Account is a “Lower Value Account” if the aggregate balance or value as of 31st December, 2016 does not exceed U.S. \$1,000,000.

(4) Where a Preexisting Individual Account is not a High Value Account as of 31st December, 2016, but becomes a High Value Account as of the last day of a subsequent calendar year, the Reporting Financial Institution shall treat the Financial Account as a High Value Account within the calendar year following the year in which the account became a High Value Account and every subsequent year.

8. Exempted Individual Accounts.—(1) The following Preexisting Individual Accounts are not required to be reviewed, identified, or reported—

(a) a Cash Value Insurance Contract; or

(b) an Annuity Contract,

if the Reporting Financial Institution is prevented by law from selling such Contract to residents of a Foreign Jurisdiction.

9. Indicia for Individual Accounts. For the purposes of this Part, the following are indicia for determining whether an Account Holder shall be treated as a Reportable Person—

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

- (a) identification of the Account Holder as a resident of a Foreign Jurisdiction;
- (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 jurisdiction of the Reporting Financial Institution;
- (d) standing instructions (other than with respect to a Depository Account) to transfer funds to an account maintained in a 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.

10. Electronic Record Search.—(1) Subject to regulation 11, the Reporting Financial Institution shall review electronically searchable data maintained by the Reporting Financial Institution for any of the indicia under regulation 9 with respect to every Individual Account to determine whether the Account Holder should be treated as a Reportable Person.

(2) Where none of the indicia are discovered in the electronic search, the Reporting Financial Institution is required to take no further action, unless there is a change in circumstances that results in—

- (a) one or more indicia being associated with the account; or
- (b) the account becoming a High Value Account.

11. Residence Address. Where in the case of a Preexisting Individual Lower Value Account, the Reporting Financial Institution has in its records a current residence address for the Account Holder based on Documentary Evidence, the Reporting Financial Institution may treat the Account Holder as a Reportable Person in respect of the jurisdiction in which the address is located.

12. Electronic record search for Preexisting Individual High Value Accounts.

With respect to Preexisting Individual High Value Accounts, in addition to reviewing electronically searchable data for any indicia in accordance with regulation 10, a Reporting Financial Institution shall, where reasonably possible, ascertain from its electronically searchable information 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,

to determine whether the Account Holder should be treated as a Reportable Person.

13. Paper Record Search.—(1) A paper record search for the purposes of this regulation shall be a review of 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 a Reporting Financial Institution within the last five years for any of the indicia—

- (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;

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

- (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,

to determine whether the Account Holder should be treated as a Reportable Person.

(2) With respect to a Preexisting Individual High Value Account, where a Reporting Financial Institution is unable to ascertain through electronically searchable information any information required under regulation 12, the Reporting Financial Institution shall conduct a paper record search.

(3) Where a Reporting Financial Institution discovers a “hold mail” instruction or “in-care-of” address during the process of the electronic search and no other address and none of the other indicia are identified for the Account Holder, the Reporting Grenada Financial Institution shall, in the order most appropriate to the circumstances—

- (a) conduct a paper record search; or
- (b) seek to obtain from the Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder.

(4) Where, for the purposes of subregulation (3), the paper search fails to establish an indicium and the attempt to obtain the self-certification or Documentary Evidence is not successful, the Reporting Financial Institution shall report the account as an undocumented account.

14. Relationship Manager Inquiry for Actual Knowledge.—(1) In addition to the electronic and paper record searches under regulations 10, 12 and 13, where the relationship manager of a Reporting Financial Institution has actual knowledge that an Account Holder is a Reportable Person, the Reporting Financial Institution shall treat as a Reportable Account any High Value Account assigned to a relationship manager, including any Financial Accounts aggregated with that High Value Account.

(2) A Reporting Financial Institution shall implement procedures to ensure that a relationship manager identifies any change in circumstances of an account and obtain any appropriate documentation from the Account Holder to verify the change in circumstances.

15. Effect of Finding Indicia.—(1) Subject to regulation 16, where—

- (a) any indicium is discovered pursuant to due diligence procedures conducted in accordance with regulation 10, 11, 12 or 13; or
- (b) there is a subsequent change in circumstances that results in any indicium being associated with the account,

the Reporting Financial Institution shall treat the Account Holder as a Reportable Person in respect of each Foreign Jurisdiction for which an indicium is identified, until the Account Holder ceases to be a Reportable Person.

(2) Where a “hold mail” instruction or “in-care-of” address is discovered pursuant to due diligence procedures conducted in accordance with regulation 10, 11, 12 and 13, and no other address and no other indicium is identified for the Account Holder, the Reporting Financial Institution shall obtain from such Account Holder a self-certification or Documentary Evidence to establish the residence(s) for tax purposes of the Account Holder.

(3) Where a Reporting Financial Institution cannot obtain a self-certification or Documentary Evidence in accordance with subregulation (2), the Reporting Financial Institution shall treat and report the account as an undocumented account.

(4) Subject to subregulation (5) and without prejudice to regulation 14, where a Reporting Financial Institution applies the due diligence procedures in accordance with regulations 10, 12 and 13, the Reporting Financial Institution is not required to re-apply the procedures to the account in any subsequent year.

(5) Where a Reporting Financial Institution treats an account as an undocumented account, the Reporting Financial Institution shall comply with regulations 10, 11, 12, 13 and 14, annually until the Reporting Financial Institution can determine whether the Account Holder should be treated as a Reportable Person.

16. Exemptions to effect of finding indicia. Notwithstanding finding any indicium, in the case of the Account Holder information containing—

- (a) a current mailing or residence address in the Foreign Jurisdiction;
- (b) one or more telephone numbers in the Foreign Jurisdiction, and no telephone number in the jurisdiction of the Reporting Financial Institution;

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

- (c) standing instructions, with respect to Financial Account other than Depository Accounts, to transfer funds to an account maintained in the Foreign Jurisdiction; or
- (d) a currently effective power of attorney or signatory authority granted to a person with an address in the Foreign Jurisdiction,

the Reporting Financial Institution is not required to treat an Account Holder as a resident of the Foreign Jurisdiction, if 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 the Account Holder that does not include the Foreign Jurisdiction; and
- (ii) Documentary Evidence establishing the Account Holder's residence for tax purposes other than the Foreign Jurisdiction.

17. Deadline for review of Preexisting Individual Accounts.—(1) In the case of a High Value Account, a Reporting Financial Institution shall complete the review in accordance with this Part no later than 31st December, 2017.

(2) In the case of a Lower Value Account, a Reporting Financial Institution shall complete the review in accordance with this Part no later than 31st December, 2018.

18. New Individual Accounts.—(1) Upon opening a New Individual Account, a Reporting Financial Institution shall obtain from the Account Holder 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 the 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.

(2) Where a self-certification establishes that the Account Holder is a Reportable Person, the Reporting Financial Institution shall treat the account as a Reportable Account and the self-certification shall also include the Account Holder's TIN with respect to the Foreign Jurisdiction and date of birth.

(3) Notwithstanding subregulation (2), a TIN is not required to be reported if a TIN is not issued by the relevant Foreign Jurisdiction.

19. Change in circumstances after self-certification. Where 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 shall not rely on the original self-certification and shall obtain a valid self-certification that establishes the residence(s) for tax purposes of the Account Holder.

20. Alternative Procedures for Financial Accounts held by Individual Beneficiaries of a Cash Value Insurance Contract or an Annuity Contract.—(1) 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.

(2) For the purposes of subregulation (1), 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 residence in a Foreign Jurisdiction under regulation 11.

(3) Where a Reporting Financial Institution has actual knowledge, or reason to know, that the beneficiary is a Reportable Person, the Reporting Financial Institution shall conduct due diligence procedures in accordance with regulations 10 and 11.

21. Aggregation of Individual Accounts.—(1) For purposes of determining the aggregate balance or value of Financial Accounts held by an individual, a Reporting Financial Institution shall 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.

(2) 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 regulation.

22. Special Aggregation Rule Applicable to Relationship Managers. For purposes of determining the aggregate balance or value of Financial Accounts held by a person to determine whether a Financial Account is a High Value Account, a

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

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.

PART IV

DUE DILIGENCE FOR ENTITY ACCOUNTS

23. Definitions. In these Regulations—

“Entity Account” means a Financial Account held by one or more Entities;

“New Entity Account” means an Individual Account after 31st December, 2016;

“Preexisting Entity Account” means an Entity Account opened on or before 31st December, 2016.

24. Exempted Entity Accounts. 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 Reporting Financial Institution is not required to review, identify, or report a Preexisting Entity Account with an aggregate account balance or value that does not exceed U.S. \$250,000 as of 31st December, 2016, unless the aggregate account balance or value exceeds U.S. \$250,000 as of the last day of any subsequent calendar year.

25. Determine whether Preexisting Entity is Reportable Person.—(1) The Reporting Financial Institution shall review information maintained for regulatory or customer relationship purposes (including information collected pursuant to AML/KYC Procedures) to determine the Account Holder’s residence to determine whether the Account Holder should be treated as a Reportable Person.

(2) Where the information indicates that the Account Holder is a Reportable Person, the Reporting Financial Institution shall treat the account as a Reportable Account, unless—

- (a) the Reporting Financial Institution obtains a self-certification from the Account Holder; or
- (b) the Reporting Financial Institution reasonably determines based on information in its possession or that is publicly available, that the Account Holder is not a Reportable Person.

(3) For the purposes of this regulation, information indicating the Account Holder's residence includes a place of incorporation or organisation, or an address in a Foreign Jurisdiction.

26. Determine the Residence of the Controlling Persons of a Passive NFE.—(1) With respect to an Account Holder of a Preexisting Entity Account, the Reporting Financial Institution shall—

- (a) identify whether the Account Holder is a Passive NFE;
- (b) identify whether the Account Holder has one or more Controlling Persons; and
- (c) determine the residence of any such Controlling Persons.

(2) For the purposes of subregulation (1) (a), a Reporting Financial Institution shall 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 paragraph (b) of the definition of "Investment Entity" that is not a Participating Jurisdiction Financial Institution.

(3) For the purposes of subregulation (1) (b), a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.

(4) For the purposes of subregulation (1) (c), a Reporting Financial Institution—

- (a) may rely on 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 not exceeding U.S. \$1,000,000;
- (b) in the case of a Preexisting Entity Account held by one or more Passive NFEs with an aggregate account balance or value exceeding U.S. \$1,000,000—
 - (i) may rely on 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; or
 - (ii) if a self-certification is not provided, shall by applying the due diligence procedures under regulations 10, 12 and 13.

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

(2) Where any Controlling Person of a Passive NFE is a Reportable Person, the Reporting Financial Institution shall treat the account as a Reportable Account.

27. Deadline for review of Preexisting Entity Accounts.—(1) In the case of a Preexisting Entity Account, a Reporting Financial Institution shall complete the review in accordance with this Part no later than 31st December, 2018.

(2) In the case of a Preexisting Entity Account with an aggregate account balance or value that does not exceed U.S. \$250,000 as of 31st December, 2016 but exceeds U.S. \$250,000 as of 31st December of a subsequent year, a Reporting Financial Institution shall complete the review in accordance with this Part no later than 31st December of the year following the year in which the aggregate account balance or value first exceeds U.S. \$250,000.

28. Change of circumstances. Where 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 shall re-determine the status of the account in accordance with this Part.

29. New Entity Accounts. In respect of every New Entity Account, a Reporting Financial Institution shall determine—

- (a) the Account Holder's residence(s) for tax purposes;
- (b) whether the Account Holder is a Passive NFE;
- (c) whether the Account Holder has one or more Controlling Persons;
and
- (d) the residence of any Reportable Person under paragraph (c).

(2) For the purposes of subregulation (1) (a), a Reporting Financial Institution shall 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 the 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.

(3) Where 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.

SRO. 30 Mutual Exchange of Information on Taxation Matters 2017
(Common Reporting Standard) Regulations

(4) For purposes of subregulation (1) (b), the Reporting Financial Institution shall 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 paragraph (b) of the definition of “Investment Entity” that is not a Participating Jurisdiction Financial Institution.

(5) For the purposes of subregulation (1) (c), a Reporting Financial Institution may rely on information collected and maintained pursuant to AML/KYC Procedures.

(6) For the purposes of subregulation (1) (d), a Reporting Financial Institution may rely on a self-certification from the Account Holder or such Controlling Person.

(7) A Reporting Financial Institution shall treat an account as a Reportable Account if—

- (a) the self-certification of the Account Holder indicates that the Account Holder is resident in a Foreign Jurisdiction, unless the Reporting Financial Institution 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 the Foreign Jurisdiction;
- (b) the Account Holder is a Passive NFE with any Controlling Person of who is a Reportable Person.

30. Aggregation of Entity Accounts.—(1) For purposes of determining the aggregate balance or value of Financial Accounts held by an Entity, a Reporting Financial Institution shall 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.

(2) 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 regulation.

PART V

MISCELLANEOUS PROVISION

31. Date for determination of balances and values. For the purposes of determining a balance or value threshold determined as of the last day of a calendar year, the relevant balance or value shall be determined as of the last day of the reporting period that ends with or within that calendar year.

32. Reliance on Self-Certifications and Documentary Evidence. A Reporting Financial Institution shall 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.

SCHEDULE I

PARTICIPATING JURISDICTIONS

(regulation 3)

1. Albania
2. Andorra
3. Anguilla
4. Antigua and Barbuda
5. Argentina
6. Aruba
7. Australia
8. Austria
9. Bahrain
10. Barbados

11. Belgium
12. Belize
13. Bermuda
14. Brazil
15. British Virgin Islands
16. Bulgaria
17. Canada
18. Cayman Islands
19. Chile
20. China (People's Republic of)
21. Colombia
22. Cook Islands
23. Costa Rica
24. Croatia
25. Curaçao
26. Cyprus
27. Czech Republic
28. Denmark
29. Estonia
30. Faroe Islands

31. Finland
32. France
33. Germany
34. Ghana
35. Gibraltar
36. Greece
37. Greenland
38. Guernsey
39. Hungary
40. Iceland
41. India
42. Indonesia
43. Ireland
44. Israel
45. Isle of Man
46. Italy
47. Japan
48. Jersey
49. Korea
50. Kuwait

51. Latvia
52. Lebanon
53. Liechtenstein
54. Lithuania
55. Luxembourg
56. Malaysia
57. Malta
58. Marshall Islands
59. Mauritius
60. Mexico
61. Monaco
62. Montserrat
63. Nauru
64. Netherlands
65. New Zealand
66. Niue
67. Norway
68. Pakistan
69. Poland
70. Portugal
71. Romania

72. Russian Federation
73. Saint Kitts and Nevis
74. Saint Lucia
75. Saint Vincent and the Grenadines
76. Samoa
77. San Marino
78. Saudi Arabia
79. Seychelles
80. Singapore
81. Sint Maarten
82. Slovak Republic
83. Slovenia
84. South Africa
85. Spain
86. Sweden
87. Switzerland
88. Turkey
89. Turks & Caicos Islands
90. United Arab Emirates
91. United Kingdom
92. Uruguay

SCHEDULE II

NON-REPORTING GRENADA FINANCIAL INSTITUTIONS

(regulation 3)

1. The following Financial Institutions are Non-Reporting Financial Institutions–

- (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;
- (c) a Narrow Participation Retirement Fund;
- (d) a Pension Fund of a Governmental Entity, International Organisation or Central Bank;
- (e) a Qualified Credit Card Issuer;
- (f) 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 paragraph (a) or (b), and is defined in any enactment as a Non-Reporting Financial Institution, if the status of such Entity as a Non-Reporting Financial Institution does not frustrate the purposes of the Common Reporting Standard;
- (g) an Exempt Collective Investment Vehicle; or
- (h) 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 regulation 5 with respect to all Reportable Accounts of the trust.

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

2. In this Schedule—

“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, if the fund—

- (a) does not have a single beneficiary with a right to more than five per cent of the fund’s assets;
- (b) is subject to government regulation and provides information reporting to the tax authorities; and
- (c) satisfies at least one of the following—
 - (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 under this Schedule or from retirement and pension accounts) under section 1 of Schedule III 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 under this Schedule or retirement and pension accounts under section 1 of Schedule III), 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 U.S. \$50,000 annually;

“Exempt Collective Investment Vehicle” means—

- (a) an Investment Entity that is regulated as a collective investment vehicle, if 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;
- (b) An Investment Entity that is regulated as a collective investment vehicle and has issued physical shares in bearer form, if—
 - (i) the collective investment vehicle has not issued, and does not issue, any physical shares in bearer form after 31st December, 2016;
 - (ii) the collective investment vehicle retires all such shares upon surrender;
 - (iii) the collective investment vehicle performs the due diligence procedures under these Regulations 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
 - (iv) 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 1st January, 2018;

“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, if—

- (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;

- “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 that are current or former employees (or persons designated by such employees), or that are not current or former employees, if the benefits provided to such beneficiaries or participants are in consideration of personal services performed for the Governmental Entity, International Organisation or Central Bank;

- (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 31st December, 2016, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of U.S. \$50,000, or to ensure that any customer overpayment in excess of U.S. \$50,000 is refunded to the customer within 60 days, and for this purpose a customer overpayment excludes credit balances to the extent of disputed charges but includes credit balances resulting from merchandise returns.

SCHEDULE III

EXCLUDED ACCOUNTS

(regulation 3)

1. Retirement and Pension Accounts.—(1) A retirement or pension account maintained in Grenada is an excluded account, if—

- (a) the account is subject to regulation as a personal retirement account or is part of a registered or regulated retirement or pension plan for the provision of retirement or pension benefits (including disability or death benefits);
- (b) the account is tax-favoured (i.e., contributions to the account that would otherwise be subject to tax are deductible or excluded from the gross income of the account holder or taxed at a reduced rate, or taxation of investment income from the account is deferred or taxed at a reduced rate);
- (c) information reporting is required to the Comptroller of Inland Revenue with respect to the account;
- (d) withdrawals are conditioned on reaching a specified retirement age, disability, or death, or penalties apply to withdrawals made before such specified events; and
- (e) Either annual contributions are limited to U.S. \$50,000 or less, or there is a maximum lifetime contribution limit to the account of U.S. \$1,000,000 or less.

(2) Subsection (1) (d) includes a Financial Account that may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of any section in this Schedule.

2. Non-Retirement Tax-favoured Accounts. An account maintained in Grenada (other than an insurance or Annuity Contract) is an excluded account, if—

- (a) the account is subject to regulation as an investment vehicle for purposes other than for retirement and is regularly traded on an established securities market, or the account is subject to regulation as a savings vehicle for purposes other than for retirement;

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

- (b) 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);
- (c) withdrawals are conditioned on meeting specific criteria related to the purpose of the savings account (for example, the provision of educational or medical benefits), or penalties apply to withdrawals made before such criteria are met; and
- (d) annual contributions are limited to U.S. \$50,000 or less.

(2) Subsection (1) (d) includes a Financial Account that may receive assets or funds transferred from one or more Financial Accounts that meet the requirements of any section in this Schedule.

3. Term Life Insurance Contracts. A life insurance contract maintained in Grenada with a coverage period that will end before the insured individual attains age 90 is an excluded account, if—

- (a) 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;
- (b) the contract has no contract value that any person can access (by withdrawal, loan, or otherwise) without terminating the contract;
- (c) 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
- (d) the contract is not held by a transferee for value.

4. Estate accounts. An account maintained in Grenada that is held solely by an estate is an excluded account if the documentation for such account includes a copy of the deceased's will or death certificate.

5. Escrow Accounts. An account maintained in Grenada established in connection with any of the following is an excluded account—

- (a) a court order or judgment;
- (b) 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;
- (d) A sale, exchange, or lease of real or personal property, if—
 - (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, for the seller to pay any contingent liability, or for 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 a credit card account;
- (c) An obligation of a Financial Institution solely to facilitate the payment of taxes at a later time.

6. Depository Accounts due to not-returned overpayments.—(1) A Depository Account maintained in Grenada is an excluded account, if—

2017 *Mutual Exchange of Information on Taxation Matters* SRO. 30
(Common Reporting Standard) Regulations

- (a) 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
- (b) beginning on or before 1st January, 2018, the Financial Institution implements policies and procedures either to prevent a customer from making an overpayment in excess of U.S. \$50,000, or to ensure that any customer overpayment in excess of U.S. \$50,000 is refunded to the customer within 60 days.

(2) For the purposes of subsection (1), a customer overpayment does not refer to credit balances to the extent of disputed charges but does include credit balances resulting from merchandise returns.

7. Low-risk Excluded Accounts. Any account maintained in Grenada is an excluded account, if—

- (a) it presents a low risk of being used to evade tax;
- (b) has substantially similar characteristics to any of the accounts described in this Schedule; and
- (c) is defined in an enactment as an Excluded Account,

unless the status of the account as an Excluded Account frustrates the purposes of the Act or these Regulations.

Made by the Minister this 4th day of October, 2017.

KEITH MITCHELL
Minister for Finance.

GRENADA

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