

CRS – Tax Residency Self-certification Entity Type Definitions

The following are definitions to assist you with the completion of Entity Type - of the Tax Residency Self-certification form - Entity.

Entity type	Description
Financial Institution	“Financial Institution” means a “Custodial Institution”, a “Depository Institution”, an “Investment Entity”, or a “Specified Insurance Company”.
NFE or Non-Financial Entity	An “NFE” is any Entity that is not a Financial Institution.
Active Non-Financial Entity (Active NFE)	An entity will be classified as an Active NFE if it meets any of the following criteria:
Active NFE type	Description
Active NFE by reason of Income and Assets	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*. *refer to full definition of passive income below.
Publicly traded NFE	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.
Governmental Entities, International Organisations, Central Banks, or their wholly owned Entities	<p>a Governmental Entity - The government of a jurisdiction, any political subdivision of a jurisdiction (which, for the avoidance of doubt, includes a state, province, county, or municipality), or any wholly owned agency or instrumentality of a jurisdiction or of any one or more of the above mentioned (each, a “Governmental Entity”).</p> <p>an International Organisation - Any international organisation or wholly owned agency or anything that serves as an international organisation. This category includes any intergovernmental organisation (including a supranational organisation)</p> <p>(1) that is comprised primarily of governments;</p> <p>(2) that has in effect a headquarters or substantially similar agreement with the jurisdiction; and</p> <p>(3) the income of which does not benefit private persons.</p> <p>a Central Bank - an institution that is the main authority (other than the government in that jurisdiction) for issuing currency. or an Entity wholly owned by one or more of the above.</p>

Holding NFEs that are members of a non-financial group	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. 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.
Start-up NFE	the NFE is not yet operating a business and has no prior operating history, (a “start-up NFE”) but is investing capital into assets with the intent to operate a business within 24 months of the initial organisation of the NFE.
NFEs that are liquidating or emerging from bankruptcy	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.
Treasury centres that are members of a non-financial group	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.
Non-profit NFEs (e.g. charitable organisations)	<p>the NFE meets all of the following requirements (a “non-profit NFE”):</p> <ul style="list-style-type: none"> 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 non-charitable 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 revert to the government of the NFE’s jurisdiction of residence or any political subdivision.

If you don’t believe your Entity meets any of the above criteria for an Active NFE (and it is not a Financial Institution) then it is likely to be a Passive NFE. In most cases a family trust established for wealth protection, which is an NFE, will be a Passive NFE.

Entity Type	Description
Passive Non-Financial Entity (Passive NFE)	<p>In broad terms, a passive NFE will generally cover an entity that:</p> <ul style="list-style-type: none"> • is not a financial institution; and • either derives 50% or more passive income* e.g. dividends, interest and/or has assets that predominantly produce or are held for the production of passive income*. <p>There are some exceptions to this. For example, if a registered charity is an NFE it would generally be an active NFE even if it derives predominantly passive income*.</p> <p>A managed investment entity that is tax resident in a jurisdiction that is not a Participating Jurisdiction is also deemed to be a passive NFE.</p> <p>*refer to full definition of passive income below.</p>
Custodial Institution	Any Entity that holds, as a substantial portion of its business, Financial Assets for the account of others.
Depository Institution	Any Entity that accepts deposits in the ordinary course of a banking or similar business.
Investment Entity	<p>“Investment Entity” includes two types of Entities:</p> <p>(i) an Entity that primarily conducts as a business one or more of the following activities or operations for or on behalf of a customer:</p> <ul style="list-style-type: none"> • 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; Individual and collective portfolio management; or Otherwise investing, administering, or managing Financial Assets or money on behalf of other persons. <p>Such activities or operations do not include giving non-binding investment advice to a customer.</p> <p>(ii) The second type of “Investment Entity” (“Investment Entity managed by another Financial Institution”) is any Entity the gross income of which is primarily attributable to investing, reinvesting, or trading in Financial Assets where the Entity is managed by another Entity that is a Depository Institution, a Custodial Institution, a Specified Insurance Company, or the first type of Investment Entity.</p> <p>An entity is treated as primarily conducting as a business one or more of the activities described in (i), or an entity’s gross income is primarily attributable to investing, reinvesting, or trading in Financial assets for (ii) above, if the Entity’s gross income attributable to the relevant activities equals or exceeds 50% of the Entity’s gross income during the short of: (i) the three year period ending on 31 March 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 described above for an Active NFE.</p>
Specified Insurance Company	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.

Passive income refers generally to the portion of gross income that consists of: dividends (including substitute dividend payments); interest; income equivalent to interest; rents and royalties (other than those derived in the active conduct of a trade or business conducted, at least in part, by employees); annuities; net gains from the sale of property that gives rise to passive income; net gains from certain transaction in commodities; net foreign currency gains; net income from notional principal contracts; amounts received under cash value insurance contracts; and amounts received by an insurance company in connection with its reserves for insurance and annuity contracts.