



Luxembourg, 21 December 2015

Dear Customer,

we value the business relationship and you trust in EWUB, and thus we would like to take this opportunity to keep you informed about recent significant changes in tax reporting requirements, soon to be applicable in several countries, including Luxembourg.

On 29 October 2014 at the annual meeting of the Global Forum on Transparency and Exchange of Information for Tax Purposes in Berlin, 51 jurisdictions, including Luxembourg, signed a multilateral competent authority agreement to automatically exchange information for tax purposes.

A significant step towards automatic exchange of information has been done since January 2015, as Luxembourg is now exchanging without any other option, information on income covered by the EU Savings Directive.

What is the Common Reporting Standard (“CRS”)?

The CRS contains the reporting and due diligence requirements that are the foundation of automatic information exchange.

This being a European Directive, the scope will in a first instance cover tax residents of the EU Member States. The list of countries currently part of automated exchange of information under CRS is available on <http://www.oecd.org/ctp/exchange-of-tax-information/MCAA-Signatories.pdf>

Financial Institutions

Luxembourg and all other participating jurisdictions will have to enact rules in domestic laws that are consistent with the provisions of the CRS. Financial Institutions (“FIs”) covered by the scope of the CRS will be required to report financial account information on their clients (“account holders”) that are tax residents in other participating jurisdictions.

Financial Institutions (“FI”) clients in scope include custodial institutions, depository institutions, investment entities and specified insurance companies. It is worth noting that the scope is broader than under FATCA. A number of exemptions such as local Foreign FIs are not provided in the CRS with also a risk of discrepancies between FATCA and CRS as entities may be classified differently.

It is important to understand that the scope of FIs includes much more as only banks. As a non-exhaustive list, it also includes asset managers, investment funds, insurance companies, corporate services providers, real estate and private equity organizations.

All clients

According to the amended Act of 2 August 2002 on the Protection of Persons with regard to the Processing of Personal Data, we want to inform you that EWUB will be collecting, processing and reporting some of your personal data as per EU regulation, transposed into Luxembourg national requirements.

This includes your Tax Residence country, and your Tax Identification Number (TIN), not collected in the past but now necessary to prepare the reporting of certain required financial information to the relevant Tax Authorities.

The financial pieces of information to be reported include interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made into the accounts (defined as “reportable accounts”). These reportable accounts include those held by individuals and entities. It is also a key requirement to look through passive entities to report on the relevant controlling persons.

As with FATCA, there are detailed due diligence requirements for new and pre-existing accounts held by individuals and entities. The due diligence requirements follow a similar logic as FATCA but indicia and self-certification are specific.

De minimis thresholds (e.g. for individuals of US\$50,000) are not available under the CRS, resulting in considering most if not all accounts in scope of the due diligence and reporting.

The OECD has made a Frequently Asked Questions available on <http://www.oecd.org/tax/automatic-exchange/common-reporting-standard/CRS-related-FAQs.pdf>

Timeline

Luxembourg is expected to perform the first exchange of information under the Common Reporting in 2017 for data of the fiscal year 2016 as per countries schedule available on <http://www.oecd.org/ctp/exchange-of-tax-information/MCAA-Signatories.pdf>

Therefore, the following agenda should apply to the first wave countries:

- 1 January 2016: New account due diligence for pre-existing and new on-boarding clients,
- 31 December 2016: Complete review for pre-existing high value individual accounts that includes electronic and paper search as well as relationship manager inquiry,
- 30 September 2017: Exchange of information between tax administrations. The local collection of information in order to proceed with the exchange of information between jurisdictions may be aligned to FATCA and most probably end of May of each year.
- 31 December 2017: Complete review for low value individual accounts and entity accounts. First exchanges of information are due to take place in September 2017, which means that reporting by reporting FIs to their local tax authorities should take place most probably in spring of each year.

EWUB General Terms and Conditions

In accordance with the provisions of sections 2.6, 2.9 and 12 of EWUB GTCs dated September 2015 available on EWUB website (<http://www.ewub.lu/-Publications-14-?lang=en>), we would kindly ask you to confirm your Tax Residence Country and your Tax Identification Number (TIN).

In order to prepare the required collection and reporting within deadlines, we would need to obtain both your Tax Residence Country and your Tax Identification Number (TIN) by end of December 2015.

In absence of confirmation from your part, EWUB would be forced to consider the postal address indicated in your account opening documents as being your current Tax Residence Country.

Any consequences of incorrect reporting based on this Tax Residence Country considered by-default would be your full responsibility in accordance with the current communication and provisions of EWUB GTCs section 2.6, 2.9 and 12.

Your usual relationship manager or Customer Desk contact will be able to assist you with this requirements. Please call or email him/her for guidance on your Tax Residence Country and your Tax Identification Number (TIN)”

We remain at your disposal for any further question or comment on the above.

Yours sincerely,

East-West United Bank S.A.