

## **INFORMATION FOR INSTITUTIONAL CLIENT (LEGAL PERSONS, COMMERCIAL LAW PARTNERSHIPS, UNINCORPORATED ORGANIZATIONAL UNITS AND CIVIL LAW PARTNERSHIPS)<sup>1</sup>**

### **1. What is CRS?**

CRS (Common Reporting Standard) are guidelines developed by Organization for Economic Cooperation and Development (hereinafter referred to as "OECD") about global standard with respect to automatic exchange of information on tax matters. The purpose thereof is to impose on financial institutions of a given country an obligation of providing tax authorities with information on accounts held by tax residents of other countries. The information gathered is to be periodically imparted by tax authorities of a given country to tax authorities of the countries where those account holders are residents. The purpose of CRS introduction is to counteract tax evasion by tax residents of respective countries who place their savings and investments abroad.

### **2. What is the legal basis for CRS implementation and what does the implementation consist of?**

On 9<sup>th</sup> December 2014, the Council Directive No. 2014/107/UE, amending the Council Directive of 15<sup>th</sup> February 2011 No. 2011/16/UE as regards mandatory automatic exchange of information in the field of taxation (hereinafter referred to as "Directive") was adopted. Member States of the European Union were obliged to implement the provisions thereof into the national legal order. Furthermore, on 29<sup>th</sup> October 2014, Poland undersigned Multilateral Competent Authority Agreement within the framework of OECD and, pursuant thereto, undertook to introduce CRS in Poland. So far, more than 80 Member States of OECD have acceded to the Multilateral Agreement.

In Poland, the provisions of the aforementioned Directive and the above-named Multilateral Agreement were implemented by virtue of the Act of 9<sup>th</sup> March 2017 on Exchange of Tax Information with Other Countries (hereinafter referred to as "Act").

Polish financial institutions, including PKO Bank Polski S.A., are obliged to comply with procedures for identification of Clients and to report data of Clients being tax residents of other countries to tax administration authorities of the country of Client's tax residence (through the Chief of the National Tax Administration).

### **3. Whom do the obligations related to CRS in PKO Bank Polski S.A. refer to and how are they fulfilled?**

Act imposes on PKO Bank Polski S.A. an obligation of identification of accounts liable to reporting (e.g. current account, automatic deposit account, deposit account, credit card account) by way of identifying whether any financial accounts within the meaning of CRS, maintained by PKO Bank Polski S.A., are held by at least one reported person.

With respect to institutional Clients, a reported person is an entity being a tax resident in a country other than Poland by virtue of tax law of that country, to the exclusion of:

- a. company whose shares are an object of regular transactions in at least one recognized securities market,

---

<sup>1</sup> It does not refer to natural persons conducting business activity to whom information for individual Client applies.

- b. partnership or company being an entity related, within the meaning of Act, to the company set forth in letter a. hereinabove,
- c. government entity,
- d. international organization,
- e. central bank,
- f. financial institution.

Such entities as partnership, limited liability company, joint-stock company or similar legal arrangements which have no residence for tax purposes are treated as residents in a country where they have a place of effective management.

A passive non-financial entity liable to reporting is an entity not being a financial institution whose gross incomes are primarily of passive nature (incomes from savings and investments) and which simultaneously is not included in any other category set forth in Article 24 section 1 item 2 of Act, which remains under control of at least one natural person (actual beneficial owner) having tax residence outside Poland.

The obligation of obtaining statements on CRS status refers to Clients who have already entered into or will enter into agreements with PKO Bank Polski S.A. on a financial account during the following periods:

**1) from 1<sup>st</sup> May 2017**

making a statement on tax residence for CRS purposes by those Clients is a necessary condition for opening an account at PKO Bank Polski S.A.

**2) by 30<sup>th</sup> April 2017**

as far as Clients who entered into agreements with PKO Bank Polski S.A. on financial account by 30<sup>th</sup> April 2017 are concerned, PKO Bank Polski S.A. is obliged to confirm Clients' tax residence on the basis of information and documents it has already had as well as by way of monitoring of changes of circumstances which may affect tax residence. If, during the performance of those obligations, PKO Bank Polski S.A. establishes that it is necessary to obtain a statement on tax residence for CRS purposes, it will request that a financial account holder provide adequate explanations, documents or a valid statement on tax residence for CRS purposes. In the event that the account holder refuses to provide any explanations, the Bank will provide the respective tax authority with information on that financial account.

Regardless of the fact of making a statement on tax residence for CRS purposes, PKO Bank Polski S.A. is obliged to verify the plausibility of a Client's statement and for that purpose it may request that the Client submit some additional documents.

**4. How is the information obtained from Client handled during the procedure for identification and verification?**

In the event that a Client declares that its tax residence lies outside Poland or has a status of passive non-financial entity with at least one actual beneficial owner having tax residence outside Poland, PKO Bank Polski S.A. has reporting obligations with regard to providing tax administration authorities of the country of tax residence of a Client or its beneficial owner (through the Chief of the National Tax Administration) with the data on the account and its Holder. The data provided comprise, including but not

limited to, name and surname, address, date and place of birth, tax identification number, account number, account balance or value, as well as amount of interest, dividends, revenue derived from disposal of securities or other revenue derived in relation to holding the account and any other data required under the applicable provisions of law.

As far as passive non-financial entities are concerned, reporting obligations include also providing tax administration authorities of the country of actual beneficial owner's tax residence with the data of that beneficial owner. The data comprise, including but not limited to, name and surname, address, country or countries of residence, tax identification number, date and place of birth of actual beneficial owner.